

STATE OF MINNESOTA

# Journal of the House

NINETY-SECOND SESSION — 2021

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FORTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 20, 2021

The House of Representatives convened at 10:00 a.m. and was called to order by Andrew Carlson, Speaker pro tempore.

Prayer was offered by Imam Mustapha Hammida, Eastern Twin Cities Islamic Center, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Acomb	Davnie	Hansen, R.	Lee	Nelson, N.	Schomacker
Agbaje	Demuth	Hanson, J.	Liebling	Neu Brindley	Schultz
Akland	Dettmer	Hassan	Lillie	Noor	Scott
Albright	Drazkowski	Hausman	Lippert	Novotny	Stephenson
Anderson	Ecklund	Heinrich	Lislegard	O'Driscoll	Sundin
Backer	Edelson	Heintzeman	Long	Olson, B.	Swedzinski
Bahner	Elkins	Her	Lucero	Olson, L.	Theis
Bahr	Erickson	Hertaus	Lueck	O'Neill	Thompson
Baker	Feist	Hollins	Mariani	Pelowski	Torkelson
Becker-Finn	Fischer	Hornstein	Marquart	Petersburg	Urdahl
Bennett	Franke	Howard	Masin	Pfarr	Vang
Berg	Franson	Huot	McDonald	Pierson	Wazlawik
Bernardy	Frazier	Igo	Mekeland	Pinto	West
Bierman	Frederick	Johnson	Miller	Poston	Winkler
Bliss	Freiberg	Jordan	Moller	Pryor	Wolgamott
Boe	Garofalo	Jurgens	Moran	Quam	Xiong, J.
Boldon	Gomez	Keeler	Morrison	Raleigh	Xiong, T.
Burkel	Green	Kiel	Mortensen	Rasmusson	Youakim
Carlson	Greenman	Klevorn	Mueller	Reyer	Spk. Hortman
Christensen	Grossell	Koegel	Munson	Richardson	
Daniels	Gruenhagen	Kotyza-Witthuhn	Murphy	Robbins	
Daudt	Haley	Koznick	Nash	Sandell	
Davids	Hamilton	Kresha	Nelson, M.	Sandstede	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

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## REPORTS OF CHIEF CLERK

S. F. No. 959 and H. F. No. 1076, which had been referred to the Chief Clerk for comparison, were examined and found to be not identical.

Hansen, R., moved that S. F. No. 959 be substituted for H. F. No. 1076 and that the House File be indefinitely postponed. The motion prevailed.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Nelson, M., from the Committee on State Government Finance and Elections to which was referred:

H. F. No. 600, A bill for an act relating to cannabis; establishing the Cannabis Management Board; establishing advisory councils; requiring reports relating to cannabis use and sales; legalizing and limiting the possession and use of cannabis by adults; providing for the licensing, inspection, and regulation of cannabis businesses; requiring testing of cannabis and cannabis products; requiring labeling of cannabis and cannabis products; limiting the advertisement of cannabis, cannabis products, and cannabis businesses; providing for the cultivation of cannabis in private residences; transferring regulatory authority for the medical cannabis program; taxing the sale of adult-use cannabis; establishing grant and loan programs; amending criminal penalties; establishing expungement procedures for certain individuals; establishing labor standards for the use of cannabis by employees and testing of employees; creating a civil cause of action for certain nuisances; amending the scheduling of marijuana and tetrahydrocannabinols; classifying data; appropriating money; amending Minnesota Statutes 2020, sections 13.411, by adding a subdivision; 13.871, by adding a subdivision; 152.02, subdivisions 2, 4; 152.022, subdivisions 1, 2; 152.023, subdivisions 1, 2; 152.024, subdivision 1; 152.025, subdivisions 1, 2; 181.938, subdivision 2; 181.950, subdivisions 2, 4, 5, 8, 13, by adding a subdivision; 181.951, by adding subdivisions; 181.952, by adding a subdivision; 181.953; 181.954; 181.955; 181.957, subdivision 1; 244.05, subdivision 2; 256.01, subdivision 18c; 256D.024, subdivision 1; 256J.26, subdivision 1; 290.0132, subdivision 29; 290.0134, subdivision 19; 297A.67, subdivisions 2, 7; 297A.99, by adding a subdivision; 297D.01, subdivision 2; 297D.04; 297D.06; 297D.07; 297D.08; 297D.085; 297D.09, subdivision 1a; 297D.10; 297D.11; 609.135, subdivision 1; 609.531, subdivision 1; 609.5311, subdivision 1; 609.5314, subdivision 1; 609.5316, subdivision 2; 609.5317, subdivision 1; 609A.01; 609A.03, subdivisions 5, 9; proposing coding for new law in Minnesota Statutes, chapters 17; 28A; 34A; 116J; 116L; 120B; 144; 152; 289A; 295; 604; 609A; proposing coding for new law as Minnesota Statutes, chapter 342; repealing Minnesota Statutes 2020, sections 152.027, subdivisions 3, 4; 152.22, subdivisions 1, 2, 3, 4, 5, 5a, 5b, 6, 7, 8, 9, 10, 11, 12, 13, 14; 152.23; 152.24; 152.25, subdivisions 1, 1a, 1b, 1c, 2, 3, 4; 152.26; 152.261; 152.27, subdivisions 1, 2, 3, 4, 5, 6, 7; 152.28, subdivisions 1, 2, 3; 152.29, subdivisions 1, 2, 3, 3a, 4; 152.30; 152.31; 152.32, subdivisions 1, 2, 3; 152.33, subdivisions 1, 1a, 2, 3, 4, 5, 6; 152.34; 152.35; 152.36, subdivisions 1, 1a, 2, 3, 4, 5; 152.37; 297D.01, subdivision 1; Minnesota Rules, parts 4770.0100; 4770.0200; 4770.0300; 4770.0400; 4770.0500; 4770.0600; 4770.0800; 4770.0900; 4770.1000; 4770.1100; 4770.1200; 4770.1300; 4770.1400; 4770.1460; 4770.1500; 4770.1600; 4770.1700; 4770.1800; 4770.1900; 4770.2000; 4770.2100; 4770.2200; 4770.2300; 4770.2400; 4770.2700; 4770.2800; 4770.4000; 4770.4002; 4770.4003; 4770.4004; 4770.4005; 4770.4007; 4770.4008; 4770.4009; 4770.4010; 4770.4012; 4770.4013; 4770.4014; 4770.4015; 4770.4016; 4770.4017; 4770.4018; 4770.4030.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Education Finance.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 991, A bill for an act relating to financing and operation of state and local government; providing conformity and nonconformity to certain federal tax law changes; modifying individual income and corporate franchise taxes, sales and use taxes, partnership taxes, special and excise taxes, property taxes, local government aids, provisions related to local taxes, tax increment financing, public finance, and other miscellaneous taxes and tax provisions; providing for various individual and corporate additions and subtractions to income; modifying certain income tax credits and authorizing new credits; providing for a pass-through entity tax; modifying definitions for resident trusts; modifying existing and providing new sales tax exemptions; modifying vapor and tobacco tax provisions; modifying and providing certain property tax exemptions; modifying property classification provisions; allowing for certain special assessments; modifying local government aid appropriations; modifying existing local taxes and authorizing new local taxes; modifying property tax homeowners' and renters' refunds; authorizing and modifying certain tax increment financing provisions; providing for a tax expenditure review commission and the required expiration of tax expenditures; making appointments; requiring reports; appropriating money; amending Minnesota Statutes 2020, sections 3.192; 3.8853, subdivision 2; 16A.152, subdivision 2; 41B.0391, subdivisions 2, 4; 116J.8737, subdivisions 5, 12; 270.41, subdivision 3a; 270.44; 270A.03, subdivision 2; 270B.12, subdivisions 8, 9; 270B.14, by adding a subdivision; 270C.11, subdivisions 2, 4, 6; 270C.13, subdivision 1; 270C.22, subdivision 1; 270C.445, subdivisions 3, 6; 272.02, by adding a subdivision; 272.029, subdivision 2; 272.0295, subdivisions 2, 5; 272.115, subdivision 1; 273.063; 273.0755; 273.124, subdivisions 1, 3a, 6, 9, 13, 13a, 13c, 13d, 14; 273.1245, subdivision 1; 273.13, subdivisions 23, 25, 34; 273.1315, subdivision 2; 273.18; 275.025, subdivisions 1, 2; 275.065, subdivisions 1, 3, by adding subdivisions; 275.066; 287.04; 289A.02, subdivision 7; 289A.08, subdivisions 7, 11, by adding subdivisions; 289A.09, subdivision 2; 289A.20, subdivision 4; 289A.31, subdivision 1; 289A.37, subdivision 2; 289A.38, subdivisions 7, 8, 9, 10; 289A.42; 289A.60, subdivisions 15, 24; 290.01, subdivisions 19, 31, by adding a subdivision; 290.0121, subdivision 3; 290.0122, subdivisions 4, 8; 290.0131, by adding subdivisions; 290.0132, subdivision 27, by adding subdivisions; 290.0133, subdivision 6, by adding subdivisions; 290.0134, subdivision 18, by adding a subdivision; 290.06, subdivisions 2c, 2d, 22, by adding subdivisions; 290.0671, subdivisions 1, 1a, 7; 290.0674, subdivision 2a; 290.0681, subdivision 10; 290.0682; 290.0685, subdivision 1, by adding a subdivision; 290.091, subdivision 2; 290.17, by adding subdivisions; 290.21, subdivision 9, by adding a subdivision; 290.31, subdivision 1; 290.92, subdivisions 1, 2a, 3, 4b, 4c, 5, 5a, 19, 20; 290.923, subdivision 9; 290.993; 290A.03, subdivisions 3, 15; 290A.04, subdivisions 2, 2a; 290A.25; 291.005, subdivision 1; 295.75, subdivision 2; 296A.06, subdivision 2; 297A.66, subdivision 3; 297A.67, by adding a subdivision; 297A.70, subdivision 13, by adding a subdivision; 297A.71, subdivision 52, by adding a subdivision; 297A.75, subdivisions 1, 2, 3; 297A.993, subdivision 2; 297E.021, subdivision 4; 297F.01, subdivisions 19, 22b, 23, by adding subdivisions; 297F.031; 297F.04, subdivision 2; 297F.05, by adding a subdivision; 297F.09, subdivisions 3, 4a, 7, 10; 297F.10, subdivision 1; 297F.13, subdivision 4; 297F.17, subdivisions 1, 6; 297G.09, subdivision 9; 297G.16, subdivision 7; 297H.04, subdivision 2; 297H.05; 297I.05, subdivision 7; 297I.20, by adding a subdivision; 298.001, by adding a subdivision; 298.24, subdivision 1; 298.405, subdivision 1; 325F.781, subdivisions 1, 5, 6; 429.021, subdivision 1; 429.031, subdivision 3; 453A.04, subdivision 21, by adding a subdivision; 462A.38; 465.71; 469.176, by adding a subdivision; 469.1763, subdivisions 2, 3, 4; 469.319, subdivision 4; 475.56; 475.58, subdivision 3b; 475.60, subdivision 1; 475.67, subdivision 8; 477A.013, subdivision 13; 477A.03, subdivisions 2a, 2b; 477A.10; 609B.153; Laws 2009, chapter 88, article 2, section 46, subdivision 3, as amended; Laws 2017, First Special Session chapter 1, article 3, section 32, as amended; Laws 2019, First Special Session chapter 6, article 6, sections 25; 27; proposing coding for new law in Minnesota Statutes, chapters 3; 16A; 116U; 289A; 477A; proposing coding for new law as Minnesota Statutes, chapters 299O; 428B; repealing Minnesota Statutes 2020, sections 270C.17, subdivision 2; 290.01, subdivisions 7b, 19i; 290.0131, subdivision 18; 327C.01, subdivision 13; 327C.16; 469.055, subdivision 7.

Reported the same back with the following amendments:

Page 86, delete lines 5 to 9 and insert:

"(a) Notwithstanding Minnesota Statutes, section 289A.50, or any law to the contrary, the sale and purchase of any materials, supplies, or equipment used in this state by a restaurant to adapt to health guidelines or any executive order related to COVID-19 is exempt from sales and use taxes imposed under Minnesota Statutes, chapter 297A.

For the purposes of this section, "restaurant" means an establishment used as, maintained as, advertised as, or held out to be an operation that prepares, serves, or otherwise provides food or beverages, or both, for human consumption, which operates from a location for more than 21 days annually. Restaurant does not include food carts, mobile food units, grocery stores, convenience stores, gas stations, bakeries, or delis."

Page 160, line 16, delete "\$69,750,000" and insert "\$94,650,000"

Page 160, line 20, delete "\$63,000,000" and insert "\$87,900,000"

Page 160, line 28, delete "\$100,000" and insert "\$150,000"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Moran from the Committee on Ways and Means to which was referred:

H. F. No. 2360, A bill for an act relating to claims against the state; providing for the settlement of certain claims; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. **EXONERATION AWARDS.**

\$108,684.65 in fiscal year 2022 is appropriated from the general fund to the commissioner of management and budget for full payment of awards of damages under the Imprisonment and Exoneration Remedies Act, Minnesota Statutes, sections 611.362 to 611.368, to Nicholas Mark Peterson. This appropriation is available until June 30, 2022."

Page 1, line 6, before "The" insert "(a)" and delete "section" and insert "paragraph"

Page 1, line 14, delete "\$....." and insert "\$1,180.63" and delete "and"

Page 1, delete line 15 and insert:

"(2) for payment to Nicholas Edwards for permanent injuries to his right index finger while performing assigned duties at Minnesota Correctional Facility - Moose Lake, \$3,940;

(3) for payment to Steven Kulkay for permanent injuries to his left index, middle, ring, and little fingers while performing assigned duties at Minnesota Correctional Facility - Faribault, compensation for loss of income, and refunding of his claim fee, \$85,751; and

(4) for payment to Michael Schmidt for fractures to two vertebrae while performing assigned duties at Minnesota Correctional Facility - Rush City, \$5,600.

(b) \$43,200 in fiscal year 2022 is appropriated from the general fund to the commissioner of corrections for a minimum ascertainable partial permanent disability award under Minnesota Statutes, section 3.738, of the claim against the state for injuries suffered by James Vandevender while performing assigned duties at Minnesota Correctional Facility - Rush City. Any award for full and final payment of this claim must deduct the amount in this paragraph from the required final payment. This appropriation is available until June 30, 2022."

Renumber the sections in sequence

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 991 and 2360 were read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. No. 959 was read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Hertaus introduced:

H. F. No. 2547, A bill for an act relating to capital investment; appropriating money for Phase 2 of the Lake Effect Project in Wayzata; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Hertaus introduced:

H. F. No. 2548, A joint resolution applying to Congress to call a constitutional convention to propose an amendment to the Constitution of the United States to provide that members of Congress be subject to term limits.

The bill was read for the first time and referred to the Committee on State Government Finance and Elections.

Sundin and Ecklund introduced:

H. F. No. 2549, A bill for an act relating to taxation; property; requiring state to pay costs of property tax judgments against state-assessed property; appropriating money; amending Minnesota Statutes 2020, section 278.12.

The bill was read for the first time and referred to the Committee on Taxes.

Ecklund and Sundin introduced:

H. F. No. 2550, A bill for an act relating to capital investment; appropriating money for a public water access facility and related improvements in the town of Crane Lake; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Capital Investment.

Miller introduced:

H. F. No. 2551, A bill for an act relating to taxation; modifying requirements and procedures governing appeals of utility and railroad property valuations; amending Minnesota Statutes 2020, sections 271.01, subdivision 5; 271.05; 271.09, subdivision 1; 273.372; 278.01, subdivision 3.

The bill was read for the first time and referred to the Committee on Taxes.

Lee introduced:

H. F. No. 2552, A bill for an act relating to legacy; appropriating money for grants to preserve and honor culturally diverse heritage and empower communities to build identity and culture.

The bill was read for the first time and referred to the Committee on Legacy Finance.

Huot introduced:

H. F. No. 2553, A bill for an act relating to veterinary medicine; regulating veterinary technicians, veterinary assistants, and the practice of veterinary technology; amending Minnesota Statutes 2020, sections 156.001, by adding subdivisions; 156.07; 156.072, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 156.

The bill was read for the first time and referred to the Committee on Health Finance and Policy.

## MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1846.

CAL R. LUDEMAN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 1846, A bill for an act relating to commerce; modifying various provisions governing or administered by the Department of Commerce; modifying allowance of reinsurance credit; establishing an insurance data security law; making technical changes; requiring a report; amending Minnesota Statutes 2020, sections 60A.092, subdivision 10a, by adding a subdivision; 60A.0921, subdivision 2; 60A.71, subdivision 7; 61A.245, subdivision 4; 79.55, subdivision 10; 79.61, subdivision 1; 80G.06, subdivision 1; 82.57, subdivisions 1, 5; 82.62, subdivision 3; 82.81, subdivision 12; 82B.021, subdivision 18; 82B.11, subdivision 3; 332.33, subdivision 3, by adding a subdivision; 386.375, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 60A; 80G; 332; repealing Minnesota Statutes 2020, sections 45.017; 60A.98; 60A.981; 60A.982.

The bill was read for the first time.

Stephenson moved that S. F. No. 1846 and H. F. No. 2024, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Winkler moved that the House recess subject to the call of the Chair. The motion prevailed.

**RECESS****RECONVENED**

The House reconvened and was called to order by the Speaker.

**REPORT FROM THE COMMITTEE ON RULES  
AND LEGISLATIVE ADMINISTRATION**

Winkler from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Thursday, April 22, 2021 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 959; and H. F. Nos. 991 and 729.

**CALENDAR FOR THE DAY**

S. F. No. 1098 was reported to the House.

Noor moved to amend S. F. No. 1098, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1342, the second engrossment:

"ARTICLE 1  
ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2022</u></b>	<b><u>2023</u></b>

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$128,635,000</u></b>	<b><u>\$129,999,000</u></b>
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Appropriations by Fund

	<u>2022</u>	<u>2023</u>
General	117,200,000	94,684,000
Remediation	700,000	700,000
Workforce Development	10,735,000	10,735,000
Family and medical benefit insurance account	-0-	23,880,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

<b><u>Subd. 2. Business and Community Development</u></b>	<b><u>58,936,000</u></b>	<b><u>46,935,000</u></b>
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Appropriations by Fund

General	56,886,000	44,885,000
Remediation	700,000	700,000
Workforce Development	1,350,000	1,350,000

(a) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2025.



(b) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(d) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(e) \$139,000 each year is for the Center for Rural Policy and Development.

(f) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) \$500,000 each year is for the small business development center program for grants to the regional small business development center offices and the lead center. This is a onetime appropriation.

(i) \$3,000,000 each year is for technical assistance to small businesses. Of this amount:

(1) \$1,500,000 is for grants to nonprofit lenders to provide additional equity support to leverage other capital sources;

(2) \$750,000 is for the business development competitive grant program; and

(3) \$750,000 is for grants to small business incubators that serve minority-, veteran-, and women-owned businesses, or businesses owned by persons with disabilities, to provide commercial space, technical assistance, and education services.

This is a onetime appropriation.

(j)(1) \$10,000,000 in the first year is for grants to local communities to increase the number of quality child care providers to support economic development. This is a onetime appropriation and is available through June 30, 2023. Fifty percent of grant funds must go to communities located outside the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(2) Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contribution, unless the commissioner waives the requirement. Grant funds available under this subdivision must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications, direct subsidies or incentives to retain employees, or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers.

(3) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested. Within one month of all grant recipients reporting on program outcomes, the commissioner must report the grant recipients' outcomes to the chairs and ranking members of the legislative committees with jurisdiction over early learning and child care and economic development.

(k) \$2,000,000 in the first year is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2025. The Minnesota Initiative Foundations must use grant funds under this section to:

(1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;

(2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;

(3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; and

(4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost

training, professional development opportunities, and continuing education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

(l) \$7,500,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. The base amount for this purpose in fiscal year 2024 and beyond is \$8,000,000.

(m) \$7,750,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2024 and beyond, the base amount is \$12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, money appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(n) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(o) \$325,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(p) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(q) \$500,000 each year is for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2025.

(r) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(s) \$1,350,000 each year from the workforce development fund and \$250,000 each year from the general fund are for jobs training grants under Minnesota Statutes, section 116L.42.

(t) \$2,500,000 each year is for Launch Minnesota. This is a onetime appropriation and funds are available until June 30, 2025. Of this amount:

(1) \$1,500,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$500,000 each year is for administration of Launch Minnesota; and

(3) \$500,000 each year is for grantee activities at Launch Minnesota.

(u) \$1,050,000 each year is for the microenterprise development program under Minnesota Statutes, section 116J.8736. Of these amounts, \$150,000 each year is for providing technical assistance and outreach to microenterprise development organizations.

(v) \$5,298,000 in the first year and \$5,297,000 in the second year are for grants to the Neighborhood Development Center, Metropolitan Economic Development Association, Latino Economic Development Center, Northside Economic Opportunity Network, and African Economic Development Solutions to provide business development services and funding. Of these amounts, at least \$2,000,000 each year must be used for services and funding for entrepreneurs who are women of color. This is a onetime appropriation.

(w) \$375,000 each year is for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.401.

**Subd. 3. Employment and Training Programs**

9,921,000

9,921,000

Appropriations by Fund

<u>General</u>	<u>8,421,000</u>	<u>8,421,000</u>
<u>Workforce Development</u>	<u>1,500,000</u>	<u>1,500,000</u>

(a) \$500,000 each year from the general fund and \$500,000 each year from the workforce development fund are for rural career counseling coordinators in the workforce service areas and for the purposes specified under Minnesota Statutes, section 116L.667.

(b) \$750,000 each year is for the women and high-wage, high-demand, nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Of this amount, up to five percent is for administration and monitoring of the program.

(c) \$2,546,000 each year is for the pathways to prosperity competitive grant program. Of this amount, up to five percent is for administration and monitoring of the program.

(d) \$500,000 each year is from the workforce development fund for a grant to the American Indian Opportunities and Industrialization Center, in collaboration with the Northwest Indian Community Development Center, to reduce academic disparities for American Indian students and adults. This is a onetime appropriation. The grant funds may be used to provide:

(1) student tutoring and testing support services;

(2) training and employment placement in information technology;

(3) training and employment placement within trades;

(4) assistance in obtaining a GED;

(5) remedial training leading to enrollment and to sustain enrollment in a postsecondary higher education institution;

(6) real-time work experience in information technology fields and in the trades;

(7) contextualized adult basic education;

(8) career and educational counseling for clients with significant and multiple barriers; and;

(9) reentry services and counseling for adults and youth.

After notification to the chairs and minority leads of the legislative committees with jurisdiction over jobs and economic development, the commissioner may transfer this appropriation to the commissioner of education.

(e) \$500,000 each year is from the workforce development fund for current Minnesota affiliates of OIC of America, Inc. This appropriation shall be divided equally among the eligible centers.

(f) \$1,000,000 each year is for competitive grants to organizations providing services to relieve economic disparities in the Southeast Asian community through workforce recruitment, development, job creation, assistance of smaller organizations to increase capacity, and outreach. Of this amount, up to five percent is for administration and monitoring of the program.

(g) \$1,000,000 each year is for a competitive grant program to provide grants to organizations that provide support services for individuals, such as job training, employment preparation, internships, job assistance to parents, financial literacy, academic and behavioral interventions for low-performing students, and youth intervention. Grants made under this section must focus on low-income communities, young adults from families with a history of intergenerational poverty, and communities of color. Of this amount, up to five percent is for administration and monitoring of the program.

(h) \$1,000,000 each year is for a grant to Propel Nonprofits to provide capacity-building grants and related technical assistance to small, culturally specific organizations that primarily serve historically underserved cultural communities. Propel Nonprofits may only award grants to nonprofit organizations that have an annual organizational budget of less than \$500,000. These grants may be used for:

(1) organizational infrastructure improvements, including developing database management systems and financial systems, or other administrative needs that increase the organization's ability to access new funding sources;

(2) organizational workforce development, including hiring culturally competent staff, training and skills development, and other methods of increasing staff capacity; or

(3) creating or expanding partnerships with existing organizations that have specialized expertise in order to increase capacity of the grantee organization to improve services to the community.

Of this amount, up to five percent may be used by Propel Nonprofits for administrative costs. This is a onetime appropriation.

(i) \$750,000 each year is for the youth-at-work competitive grant program under Minnesota Statutes, section 116L.562. Of this amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(j) \$875,000 each year is for a grant to the Minnesota Technology Association to support the SciTech Internship Program, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college students and graduate students in their fields of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in Minnesota having fewer than 250 employees worldwide. At least

200 students must be matched in the first year and at least 200 students must be matched in the second year. No more than 15 percent of the hires may be graduate students. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$2,500 per intern. The program must work toward increasing the participation among women or other underserved populations. This is a onetime appropriation.

**Subd. 4. General Support Services**

3,692,000

4,005,000

Appropriations by Fund

<u>General Fund</u>	<u>3,637,000</u>	<u>3,950,000</u>
<u>Workforce Development</u>	<u>55,000</u>	<u>55,000</u>

\$1,269,000 each year is for transfer to the Minnesota Housing Finance Agency for operating the Olmstead Compliance Office.

**Subd. 5. Minnesota Trade Office**

2,142,000

2,142,000

(a) \$200,000 each year is for the STEP grants in Minnesota Statutes, section 116J.979. The base for this purpose in fiscal year 2024 and beyond is \$300,000.

(b) \$180,000 each year is for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9781.

(c) \$270,000 each year is for the Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

**Subd. 6. Vocational Rehabilitation**

36,691,000

36,691,000

Appropriations by Fund

<u>General</u>	<u>28,861,000</u>	<u>28,861,000</u>
<u>Workforce Development</u>	<u>7,830,000</u>	<u>7,830,000</u>

(a) \$14,300,000 each year is for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$8,995,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(c) \$2,555,000 each year is for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

(d) \$3,011,000 each year is for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$1,000,000 each year is from the workforce development fund for grants under Minnesota Statutes, section 268A.16, for employment services for persons, including transition-age youth, who are deaf, deafblind, or hard-of-hearing. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

**Subd. 7. Services for the Blind**

6,425,000

6,425,000

Of this amount, \$500,000 each year is for senior citizens who are becoming blind. At least one-half of the funds for this purpose must be used to provide training services for seniors who are becoming blind. Training services must provide independent living skills to seniors who are becoming blind to allow them to continue to live independently in their homes.

**Subd. 8. Paid Family and Medical Leave**

10,828,000

23,880,000

Appropriations by Fund

<u>General</u>	<u>10,828,000</u>	<u>-0-</u>
<u>Family and medical benefit insurance account</u>	<u>-0-</u>	<u>23,880,000</u>

(a) \$10,828,000 in the first year is for the purposes of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

(b) \$23,250,000 in the second year is from the family and medical benefit insurance account for the purposes of Minnesota Statutes, chapter 268B. The base appropriation is \$51,041,000 in fiscal year 2024 and \$50,125,000 in fiscal year 2025. Starting in fiscal year 2026, the base appropriation is \$46,465,000.

(c) \$630,000 in the second year is from the family medical benefit insurance account for the purpose of outreach, education, and technical assistance for employees and employers regarding Minnesota Statutes, chapter 268B. Of this amount, at least half must be used for grants to community-based groups providing outreach, education, and technical assistance for employees, employers, and self-employed individuals regarding Minnesota Statutes, chapter 268B. Outreach must include efforts to notify self-employed individuals of their ability to elect coverage under Minnesota Statutes, section 268B.11, and provide them with technical assistance in doing so.

**Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY**

**Subdivision 1. Total Appropriation**

\$528,000

\$518,000



Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>528,000</u>	<u>-0-</u>
<u>Family and medical benefit insurance account</u>	<u>-0-</u>	<u>518,000</u>

(a) \$528,000 in the first year is for the purposes of Minnesota Statutes, chapter 268B. This is a onetime appropriation.

(b) \$518,000 in the second year is from the family and medical benefit insurance account for the purposes of Minnesota Statutes, chapter 268B. The base appropriation is \$468,000 in fiscal year 2024 and \$618,000 in fiscal year 2025.

Sec. 4. **DEPARTMENT OF HUMAN SERVICES**

**\$-0-**

**\$574,000**

\$574,000 in the second year is from the family and medical benefit insurance account for information technology system costs associated with Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 5. **MANAGEMENT AND BUDGET**

Subdivision 1. **Total Appropriation**

**\$28,000**

**\$1,953,000**

Appropriations by Fund

	<u>2022</u>	<u>2023</u>
<u>General</u>	<u>28,000</u>	<u>1,930,000</u>
<u>Family and medical benefit insurance account</u>	<u>-0-</u>	<u>23,000</u>

(a) \$28,000 in the first year is for information technology systems upgrades necessary to comply with Minnesota Statutes, chapter 268B. This is a onetime appropriation.

(b) \$23,000 in the second year from the family and medical benefit insurance account is for ongoing maintenance of these information technology systems. For fiscal year 2024 and beyond, the base appropriation is \$13,000.

(c) \$1,930,000 in the second year is for the premiums and notice acknowledgment required of employers under Minnesota Statutes, chapter 268B. For fiscal year 2024 and beyond, the base appropriation is \$3,727,000.

Sec. 6. **HOUSE OF REPRESENTATIVES****\$11,000****\$-0-**

\$11,000 in the first year is for systems upgrades necessary to comply with Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 7. **SUPREME COURT****\$20,000****\$-0-**

\$20,000 in the first year is for judicial responsibilities associated with Minnesota Statutes, chapter 268B. This is a onetime appropriation.

Sec. 8. **COURT OF APPEALS****\$-0-****\$-0-**

For fiscal year 2025, the base from the family and medical benefit insurance account for judicial responsibilities associated with Minnesota Statutes, chapter 268B, is \$5,600,000.

Sec. 9. **FAMILY AND MEDICAL BENEFITS; TRANSFER.**

In the second year only, \$11,416,000 shall be transferred from the family and medical benefit insurance account to the general fund.

ARTICLE 2  
PRIOR YEAR APPROPRIATIONS

Section 1. Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended by Laws 2017, First Special Session chapter 7, section 2, is amended to read:

Subd. 2. **Business and Community Development**

\$46,074,000

\$40,935,000

Appropriations by Fund

General	\$43,363,000	\$38,424,000
Remediation	\$700,000	\$700,000
Workforce Development	\$1,861,000	\$1,811,000
Special Revenue	\$150,000	-0-

(a) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$750,000 each year is for grants to the Neighborhood Development Center for small business programs:

- (1) training, lending, and business services;
- (2) model outreach and training in greater Minnesota; and
- (3) development of new business incubators.

This is a onetime appropriation.

(c) \$1,175,000 each year is for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(d) \$125,000 each year is for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(e)(1) \$12,500,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. This appropriation is available until spent.

(2) Of the amount appropriated in fiscal year 2018, \$4,000,000 is for a loan to construct and equip a wholesale electronic component distribution center investing a minimum of \$200,000,000 and constructing a facility at least 700,000 square feet in size. Loan funds may be used for purchases of materials, supplies, and equipment for the construction of the facility and are available from July 1, 2017, to June 30, 2021. The commissioner of employment and economic development shall forgive the loan after verification that the project has satisfied performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(3) Of the amount appropriated in fiscal year 2018, \$700,000 is for ~~a loan to extend an effluent pipe that will deliver reclaimed water to an innovative waste to biofuel project investing a minimum of \$150,000,000 and constructing a facility that is designed to process approximately 400,000 tons of waste annually.~~ Loan grant to the Metropolitan Council under Minnesota Statutes, section 116.195, for wastewater infrastructure to support industrial users in Rosemount that require significant water use. Grant funds are available until June 30, ~~2021~~ 2025.

(f) \$8,500,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended. In fiscal year 2020 and beyond, the base amount is \$8,000,000.

(g) \$1,647,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent. In fiscal year 2020 and beyond, the base amount is \$1,772,000.

(h) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(i) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(j) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2021.

(k) \$139,000 each year is for a grant to the Rural Policy and Development Center under Minnesota Statutes, section 116J.421.

(l)(1) \$1,300,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until spent. If the appropriation for either year is insufficient, the appropriation for the other year is available. In fiscal year 2020 and beyond, the base amount is \$1,787,000. Funds available under this paragraph may be used for site preparation of property owned and to be used by private entities.

(2) Of the amounts appropriated, \$1,600,000 in fiscal year 2018 is for a grant to the city of Thief River Falls to support utility extensions, roads, and other public improvements related to the construction of a wholesale electronic component distribution center at least 700,000 square feet in size and investing a minimum of \$200,000,000. Notwithstanding Minnesota Statutes, section 116J.431, a local match is not required. Grant funds are available from July 1, 2017, to June 30, 2021.

(m) \$876,000 the first year and \$500,000 the second year are for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until spent. Of this amount, up to four percent is for administration and monitoring of the program. In fiscal year 2020 and beyond, the base amount is \$1,000,000.

(n) \$875,000 each year is for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(o) \$250,000 in fiscal year 2018 is for a grant to the Minnesota Design Center at the University of Minnesota for the greater Minnesota community design pilot project.

(p) \$275,000 in fiscal year 2018 is from the general fund to the commissioner of employment and economic development for a grant to Community and Economic Development Associates (CEDA) for an economic development study and analysis of the effects of current and projected economic growth in southeast Minnesota. CEDA shall report on the findings and recommendations of the study to the committees of the house of representatives and senate with jurisdiction over economic development and workforce issues by February 15, 2019. All results and information gathered from the study shall be made available for use by cities in southeast Minnesota by March 15, 2019. This appropriation is available until June 30, 2020.

(q) \$2,000,000 in fiscal year 2018 is for a grant to Pillsbury United Communities for construction and renovation of a building in north Minneapolis for use as the "North Market" grocery store and wellness center, focused on offering healthy food, increasing health care access, and providing job creation and economic opportunities in one place for children and families living in the area. To the extent possible, Pillsbury United Communities shall employ individuals who reside within a five mile radius of the grocery store and wellness center. This appropriation is not available until at least an equal amount of money is committed from nonstate sources. This appropriation is available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

(r) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(s) \$875,000 each year is for the host community economic development grant program established in Minnesota Statutes, section 116J.548.

(t) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until spent.

(u) \$161,000 each year is from the workforce development fund for a grant to the Rural Policy and Development Center. This is a onetime appropriation.

(v) \$300,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. This is a onetime appropriation.

(w) \$50,000 in fiscal year 2018 is from the workforce development fund for a grant to Fighting Chance for behavioral intervention programs for at-risk youth.

(x) \$1,350,000 each year is from the workforce development fund for job training grants under Minnesota Statutes, section 116L.42.

(y)(1) \$519,000 in fiscal year 2018 is for grants to local communities to increase the supply of quality child care providers in order to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this paragraph must be used to implement solutions to reduce the child care shortage in the state including but not limited to funding for child care business start-ups or expansions, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have documented a shortage of child care providers in the area.

(2) Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of local funds invested.

(3) By January 1 of each year, starting in 2019, the commissioner must report to the standing committees of the legislature having jurisdiction over child care and economic development on the outcomes of the program to date.

(z) \$319,000 in fiscal year 2018 is from the general fund for a grant to the East Phillips Improvement Coalition to create the East Phillips Neighborhood Institute (EPNI) to expand culturally tailored resources that address small business growth and create green jobs. The grant shall fund the collaborative work of Tamales y Bicicletas, Little Earth of the United Tribes, a nonprofit serving East Africans, and other coalition members towards developing

EPNI as a community space to host activities including, but not limited to, creation and expansion of small businesses, culturally specific entrepreneurial activities, indoor urban farming, job training, education, and skills development for residents of this low-income, environmental justice designated neighborhood. Eligible uses for grant funds include, but are not limited to, planning and start-up costs, staff and consultant costs, building improvements, rent, supplies, utilities, vehicles, marketing, and program activities. The commissioner shall submit a report on grant activities and quantifiable outcomes to the committees of the house of representatives and the senate with jurisdiction over economic development by December 15, 2020. This appropriation is available until June 30, 2020.

(aa) \$150,000 the first year is from the renewable development account in the special revenue fund established in Minnesota Statutes, section 116C.779, subdivision 1, to conduct the biomass facility closure economic impact study.

(bb)(1)\$300,000 in fiscal year 2018 is for a grant to East Side Enterprise Center (ESEC) to expand culturally tailored resources that address small business growth and job creation. This appropriation is available until June 30, 2020. The appropriation shall fund the work of African Economic Development Solutions, the Asian Economic Development Association, the Dayton's Bluff Community Council, and the Latino Economic Development Center in a collaborative approach to economic development that is effective with smaller, culturally diverse communities that seek to increase the productivity and success of new immigrant and minority populations living and working in the community. Programs shall provide minority business growth and capacity building that generate wealth and jobs creation for local residents and business owners on the East Side of St. Paul.

(2) In fiscal year 2019 ESEC shall use funds to share its integrated service model and evolving collaboration principles with civic and economic development leaders in greater Minnesota communities which have diverse populations similar to the East Side of St. Paul. ESEC shall submit a report of activities and program outcomes, including quantifiable measures of success annually to the house of representatives and senate committees with jurisdiction over economic development.

(cc) \$150,000 in fiscal year 2018 is for a grant to Mille Lacs County for the purpose of reimbursement grants to small resort businesses located in the city of Isle with less than \$350,000 in annual revenue, at least four rental units, which are open during both summer and winter months, and whose business was adversely impacted by a decline in walleye fishing on Lake Mille Lacs.

(dd)(1) \$250,000 in fiscal year 2018 is for a grant to the Small Business Development Center hosted at Minnesota State University, Mankato, for a collaborative initiative with the Regional Center for Entrepreneurial Facilitation. Funds available under this section must be used to provide entrepreneur and small business development direct professional business assistance services in the following counties in Minnesota: Blue Earth, Brown, Faribault, Le Sueur, Martin, Nicollet, Sibley, Watonwan, and Waseca. For the purposes of this section, "direct professional business assistance services" must include, but is not limited to, pre-venture assistance for individuals considering starting a business. This appropriation is not available until the commissioner determines that an equal amount is committed from nonstate sources. Any balance in the first year does not cancel and is available for expenditure in the second year.

(2) Grant recipients shall report to the commissioner by February 1 of each year and include information on the number of customers served in each county; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates in each county. By April 1 of each year, the commissioner shall report the information submitted by grant recipients to the chairs of the standing committees of the house of representatives and the senate having jurisdiction over economic development issues.

(ee) \$500,000 in fiscal year 2018 is for the central Minnesota opportunity grant program established under Minnesota Statutes, section 116J.9922. This appropriation is available until June 30, 2022.

(ff) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2017.

Sec. 2. Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 2, as amended by Laws 2019, First Special Session chapter 12, section 4, and Laws 2020, chapter 112, section 1, is amended to read:

Subd. 2. <b>Business and Community Development</b>	44,931,000	42,381,000
Appropriations by Fund		
General	40,756,000	38,206,000
Remediation	700,000	700,000
Workforce Development	3,475,000	3,475,000

(a) \$1,787,000 each year is for the greater Minnesota business development public infrastructure grant program under Minnesota Statutes, section 116J.431. This appropriation is available until June 30, 2023.



(b) \$1,425,000 each year is for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(c) \$1,772,000 each year is for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(d) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until June 30, 2023.

(e) \$139,000 each year is for the Center for Rural Policy and Development.

(f) \$25,000 each year is for the administration of state aid for the Destination Medical Center under Minnesota Statutes, sections 469.40 to 469.47.

(g) \$875,000 each year is for the host community economic development program established in Minnesota Statutes, section 116J.548.

(h) \$125,000 each year is from the workforce development fund for a grant to the White Earth Nation for the White Earth Nation Integrated Business Development System to provide business assistance with workforce development, outreach, technical assistance, infrastructure and operational support, financing, and other business development activities. This is a onetime appropriation.

(i) \$450,000 each year is from the workforce development fund for a grant to Enterprise Minnesota, Inc. for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(j) \$250,000 the first year is for a grant to the Rondo Community Land Trust for improvements to leased commercial space in the Selby Milton Victoria Project that will create long-term affordable space for small businesses and for build-out and development of new businesses.

(k) \$400,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association (MEDA) for statewide business development and assistance services, including services to entrepreneurs with businesses that have the potential to create job opportunities for unemployed and underemployed people, with an emphasis on minority-owned businesses. This is a onetime appropriation.

(l) \$750,000 in fiscal year 2020 is for grants to local communities to increase the supply of quality child care providers to support economic development. At least 60 percent of grant funds must go to communities located outside of the seven-county metropolitan area as defined under Minnesota Statutes, section 473.121, subdivision 2. Grant recipients must obtain a 50 percent nonstate match to grant funds in either cash or in-kind contributions. Grant funds available under this section must be used to implement projects to reduce the child care shortage in the state, including but not limited to funding for child care business start-ups or expansion, training, facility modifications or improvements required for licensing, and assistance with licensing and other regulatory requirements. In awarding grants, the commissioner must give priority to communities that have demonstrated a shortage of child care providers in the area. This is a onetime appropriation. Within one year of receiving grant funds, grant recipients must report to the commissioner on the outcomes of the grant program, including but not limited to the number of new providers, the number of additional child care provider jobs created, the number of additional child care slots, and the amount of cash and in-kind local funds invested.

(m) \$750,000 in fiscal year 2020 is for a grant to the Minnesota Initiative Foundations. This is a onetime appropriation and is available until June 30, 2023. The Minnesota Initiative Foundations must use grant funds under this section to:

- (1) facilitate planning processes for rural communities resulting in a community solution action plan that guides decision making to sustain and increase the supply of quality child care in the region to support economic development;
- (2) engage the private sector to invest local resources to support the community solution action plan and ensure quality child care is a vital component of additional regional economic development planning processes;
- (3) provide locally based training and technical assistance to rural child care business owners individually or through a learning cohort. Access to financial and business development assistance must prepare child care businesses for quality engagement and improvement by stabilizing operations, leveraging funding from other sources, and fostering business acumen that allows child care businesses to plan for and afford the cost of providing quality child care; or
- (4) recruit child care programs to participate in Parent Aware, Minnesota's quality and improvement rating system, and other high quality measurement programs. The Minnesota Initiative Foundations must work with local partners to provide low-cost training, professional development opportunities, and continuing

education curricula. The Minnesota Initiative Foundations must fund, through local partners, an enhanced level of coaching to rural child care providers to obtain a quality rating through Parent Aware or other high quality measurement programs.

(n)(1) \$650,000 each year from the workforce development fund is for grants to the Neighborhood Development Center for small business programs. This is a onetime appropriation.

(2) Of the amount appropriated in the first year, \$150,000 is for outreach and training activities outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2.

(o) \$8,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until expended.

(p)(1) \$11,970,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administration and monitoring of the program. In fiscal year 2022 and beyond, the base amount is \$12,370,000. This appropriation is available until expended. Notwithstanding Minnesota Statutes, section 116J.8731, funds appropriated to the commissioner for the Minnesota investment fund may be used for the redevelopment program under Minnesota Statutes, sections 116J.575 and 116J.5761, at the discretion of the commissioner. Grants under this paragraph are not subject to the grant amount limitation under Minnesota Statutes, section 116J.8731.

(2) Of the amount appropriated in the first year, ~~\$2,000,000~~ \$3,000,000 is for a loan to a paper mill in Duluth for a retrofit project that will support the ~~operation and manufacture of packaging~~ conversion of the existing Duluth paper mill for the manufacture of new paper grades. The company that owns the paper mill must ~~spend \$20,000,000 on~~ invest \$25,000,000 in project activities by ~~December 31, 2020~~ May 1, 2023, in order to be eligible to receive this loan. Loan funds may be used for purchases of materials, supplies, and equipment for the project and are available from ~~July 1, 2019~~ April 1, 2021, to ~~July 30, 2021~~ May 1, 2023. The commissioner of employment and economic development shall forgive 25 percent of the loan each year after the second year during a five-year period if the mill has retained at least ~~150~~ 80 full-time equivalent employees and has satisfied other performance goals and contractual obligations as required under Minnesota Statutes, section 116J.8731.

(q) \$700,000 in fiscal year 2020 is for the airport infrastructure renewal (AIR) grant program under Minnesota Statutes, section 116J.439.

(r) \$100,000 in fiscal year 2020 is for a grant to FIRST in Upper Midwest to support competitive robotics teams. Funds must be used to make up to five awards of no more than \$20,000 each to Minnesota-based public entities or private nonprofit organizations for the creation of competitive robotics hubs. Awards may be used for tools, equipment, and physical space to be utilized by robotics teams. At least 50 percent of grant funds must be used outside of the seven-county metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2. The grant recipient shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over jobs and economic growth by February 1, 2021, on the status of awards and include information on the number and amount of awards made, the number of customers served, and any outcomes resulting from the grant. The grant requires a 50 percent match from nonstate sources.

(s) \$1,000,000 each year is for the Minnesota emerging entrepreneur loan program under Minnesota Statutes, section 116M.18. Funds available under this paragraph are for transfer into the emerging entrepreneur program special revenue fund account created under Minnesota Statutes, chapter 116M, and are available until expended. Of this amount, up to four percent is for administration and monitoring of the program.

(t) \$163,000 each year is for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(u) \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(v) \$500,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until June 30, 2023.

(w) \$4,195,000 each year is for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until expended.

(x) \$1,350,000 each year is from the workforce development fund for jobs training grants under Minnesota Statutes, section 116L.42.

(y) \$2,500,000 each year is for Launch Minnesota. This is a onetime appropriation and funds are available until June 30, 2023. Of this amount:

(1) \$1,600,000 each year is for innovation grants to eligible Minnesota entrepreneurs or start-up businesses to assist with their operating needs;

(2) \$450,000 each year is for administration of Launch Minnesota; and

(3) \$450,000 each year is for grantee activities at Launch Minnesota.

(z) \$500,000 each year is from the workforce development fund for a grant to Youthprise to give grants through a competitive process to community organizations to provide economic development services designed to enhance long-term economic self-sufficiency in communities with concentrated East African populations. Such communities include but are not limited to Faribault, Rochester, St. Cloud, Moorhead, and Willmar. To the extent possible, Youthprise must make at least 50 percent of these grants to organizations serving communities located outside the seven-county metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2. This is a onetime appropriation and is available until June 30, 2022.

(aa) \$125,000 each year is for a grant to the Hmong Chamber of Commerce to train ethnically Southeast Asian business owners and operators in better business practices. This is a onetime appropriation and is available until June 30, 2023.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2019.

Sec. 3. **GRANT TO THE NORTHEAST ENTREPRENEUR FUND; APPROPRIATION.**

\$1,148,000 in fiscal year 2021 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the Northeast Entrepreneur Fund, a small business administration microlender and community development financial institution operating in northern Minnesota, to be made only upon the Northeast Entrepreneur Fund's repayment of its current \$1,148,000 loan issued by the commissioner. Grant funds must be used as capital for accessing additional federal lending for small businesses impacted by COVID-19 and must be returned to the commissioner for deposit in the general fund if the Northeast Entrepreneur Fund fails to secure such federal funds before January 1, 2022. This is a onetime appropriation.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **APPROPRIATION; SMALL BUSINESS COVID-19 GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Department" means the Department of Employment and Economic Development.

(d) "Eligible organization" means the Minnesota Initiative Foundations, community development financial institutions, and other nonprofits the commissioner determines to be similarly qualified.

(e) "Program" means the small business COVID-19 grant program under this section.

Subd. 2. **Appropriation.** \$50,000,000 in fiscal year 2021 is appropriated from the general fund to the commissioner for the small business COVID-19 grant program under this section. Of this amount:

(1) \$24,900,000 is for grants to the Minnesota Initiative Foundations to provide grants to businesses in greater Minnesota. Up to ten percent of this amount may be used for the administrative costs of the Minnesota Initiative Foundations;

(2) \$24,900,000 is for grants to eligible organizations to provide grants to businesses in the seven-county metropolitan area defined in section 473.121, subdivision 2. Up to ten percent of this amount may be used for the administrative costs of the eligible organizations; and

(3) \$200,000 is for the administrative costs of the department.

Any funds not spent by eligible organizations by December 31, 2021, must be returned to the commissioner and canceled back to the general fund.

Subd. 3. **Distribution of grants.** (a) Of grants given under this section, a minimum of:

(1) \$10,000,000 must be awarded to businesses that employ the equivalent of six full-time workers or less;

(2) \$10,000,000 must be awarded to minority business enterprises, as defined in Minnesota Statutes, section 116M.14, subdivision 5; and

(3) \$3,000,000 must be awarded under subdivision 5.

(b) No business may receive more than one grant under this section.

Subd. 4. **Grants to businesses.** (a) To be eligible for a grant under this subdivision, a business must:

(1) have primary business operations located in the state of Minnesota;

(2) be owned by a resident of the state of Minnesota;

(3) employ the equivalent of 100 full-time workers or less; and

(4) be able to demonstrate financial hardship as a result of the COVID-19 outbreak.

(b) Grants under this subdivision shall be for no less than \$5,000 and no more than \$100,000.

(c) Grant funds must be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since November 1, 2020, in the regular course of business, but not to refinance debt that existed at the time of the governor's COVID-19 peacetime emergency declaration.

**Subd. 5. Grants to businesses renting space to other businesses.** (a) To be eligible for a grant under this subdivision, a business must:

(1) be an operator of privately owned permanent indoor retail space that has an ethnic cultural emphasis and at least 12 tenants that are primarily businesses with fewer than 20 employees;

(2) have primary business operations located in the state of Minnesota;

(3) be owned by a resident of the state of Minnesota;

(4) employ the equivalent of 100 full-time workers or less; and

(5) be able to demonstrate financial hardship as a result of the COVID-19 outbreak.

(b) Grants under this subdivision shall be for no more than \$250,000.

(c) Up to \$20,000 of grant funds a business receives may be used for working capital to support payroll expenses, rent or mortgage payments, utility bills, and other similar expenses that occur or have occurred since November 1, 2020, in the regular course of business, but not to refinance debt that existed at the time of the governor's COVID-19 peacetime emergency declaration.

(d) The remainder of grant funds must be used to maintain existing tenants of the operator through the issuing of credits or forgiveness of rent. Any tenant receiving such a benefit from the grant must meet the requirements under subdivision 4, paragraph (a).

**Subd. 6. Applications.** (a) The commissioner may develop criteria, forms, applications, and reporting requirements for use by eligible organizations providing grants to businesses.

(b) All businesses applying for a grant must include as part of their application a business plan for continued operation.

**Subd. 7. Exemptions.** All grants and grant making processes under this section are exempt from Minnesota Statutes, sections 16A.15, subdivision 3; 16B.97; and 16B.98, subdivisions 5, 7, and 8. The commissioner must audit the use of grant funds under this section in accordance with standard accounting practices. The exemptions under this paragraph expire on December 30, 2021.

**Subd. 8. Reports.** (a) By January 31, 2022, eligible organizations participating in the program must provide a report to the commissioner that include descriptions of the businesses supported by the program, the amounts granted, and an explanation of administrative expenses.

(b) By February 15, 2022, the commissioner must report to the legislative committees in the house of representatives and senate with jurisdiction over economic development about grants made under this program based on the information received under paragraph (a).

**EFFECTIVE DATE.** This section is effective the day following final enactment.

**Sec. 5. CANCELLATIONS; FISCAL YEAR 2021.**

(a) \$1,022,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 2, subdivision 4, is canceled.

(b) \$25,000,000 of the fiscal year 2021 general fund appropriation under Laws 2020, Seventh Special Session chapter 2, article 3, section 2, is canceled.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

ARTICLE 3  
DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT

Section 1. Minnesota Statutes 2020, section 116J.035, subdivision 6, is amended to read:

Subd. 6. **Receipt of gifts, money; appropriation.** (a) The commissioner may:

(1) apply for, accept, and disburse gifts, bequests, grants, payments for services, loans, or other property from the United States, the state, private foundations, or any other source;

(2) enter into an agreement required for the gifts, grants, or loans; and

(3) hold, use, and dispose of its assets according to the terms of the gift, grant, loan, or agreement.

(b) Money received by the commissioner under this subdivision must be deposited in a separate account in the state treasury and invested by the State Board of Investment. The amount deposited, including investment earnings, is appropriated to the commissioner to carry out duties under this section.

(c) Money received by the commissioner under this subdivision for State Services for the Blind is exempt from depositing gifts, bequests, charitable contributions, and similar contributions made solely into the state treasury.

Sec. 2. Minnesota Statutes 2020, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** (a) An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;

(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision even if no business has committed to locate in the industrial park at the time the grant application is made.

(b) Up to 15 percent of the development of a project may be for a purpose that is ancillary to the project but that is not included under this subdivision as an eligible project. A city or county must provide notice to the commissioner for the commissioner's approval of the proposed ancillary development purpose.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that have been funded previously under Minnesota Statutes, section 116J.431.

Sec. 3. Minnesota Statutes 2020, section 116J.431, is amended by adding a subdivision to read:

Subd. 3a. **Development restrictions expiration.** After ten years from the date of the grant award under this section, a project that has been developed for its original project purpose may be developed for any lawful purpose.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to projects that have been funded previously under Minnesota Statutes, section 116J.431.



Sec. 4. **[116J.8736] MICROENTERPRISE DEVELOPMENT PROGRAM.**

Subdivision 1. Establishment. The commissioner of employment and economic development shall establish the microenterprise development program to award grants to microenterprise development organizations to encourage microenterprise development.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Disadvantaged entrepreneur" means an owner of a microenterprise who is a low-income person or otherwise lacks adequate access to capital or other resources essential for business success.

(d) "Low-income person" means a person with an income adjusted for family size that does not exceed:

(1) for metropolitan areas, 80 percent of median income; or

(2) for nonmetropolitan areas, the greater of 80 percent of the area median income or 80 percent of the statewide nonmetropolitan area median income.

(e) "Microenterprise" means a business, including a start-up, home-based, or self-employed business, with no more than five employees.

(f) "Microenterprise development organization" means a nonprofit entity that provides one or more of the services under subdivision 4 to disadvantaged entrepreneurs.

(g) "Program" means the microenterprise development program established under this section.

Subd. 3. **Grants to microenterprise development organizations.** The commissioner shall make grants to microenterprise development organizations through a competitive grant process based on criteria developed by the commissioner and shall consider each applicant's:

(1) plan for providing business development services and loans to microenterprises;

(2) scope of services to be provided;

(3) plan for coordinating services and loans with financial institutions;

(4) ability to provide business training and technical assistance to disadvantaged entrepreneurs;

(5) ability to monitor and provide financial oversight of recipients of loans and services; and

(6) sources and sufficiency of operating funds.

In selecting grant recipients, the commissioner shall ensure that services are provided to all regions of the state, including both metropolitan areas and communities in greater Minnesota.

Subd. 4. **Eligible uses of grant funds.** Microenterprise development organizations may use grant funds for any of the following purposes:

(1) satisfying matching fund requirements for federal or private grants or loans that will allow the microenterprise development organization to provide another service under this subdivision to disadvantaged entrepreneurs;

(2) establishing a revolving loan fund for loans to disadvantaged entrepreneurs. The loans may be zero interest and must be for no more than \$25,000 per microenterprise;

(3) guaranteeing loans from private financial institutions to disadvantaged entrepreneurs;

(4) providing technical assistance, mentoring, training, or physical space to disadvantaged entrepreneurs; and

(5) up to ten percent of grant funds may be used for the operating costs of the microenterprise development organization and its administrative costs for the program.

**Subd. 5. Reports to the legislature.** (a) By December 1, 2023, and every December 1 thereafter until given permission by the commissioner to cease reporting, grant recipients must submit a report to the commissioner on the use of grant funds in the form that the commissioner prescribes and include any documentation of and supporting information regarding the grant that the commissioner requires, including:

(1) the demand for services under the program;

(2) information on the types of applicants seeking program services; and

(3) a list of all loans or loan guarantees made, including the name of the recipient, the amount, and its intended purpose.

(b) By December 31, 2023, and every December 31 thereafter until all grant recipients have ceased reporting, the commissioner must submit a report as required under Minnesota Statutes, section 3.195, that details the use of funds under this section, including the information provided by grant recipients, as well as an analysis of the impact of the program. A copy of this report must also be sent to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development.

Sec. 5. Minnesota Statutes 2020, section 116J.8748, subdivision 3, is amended to read:

**Subd. 3. Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying; gambling; entertainment; professional sports; political consulting; leisure; hospitality; or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend directly, or ensure expenditure by or in partnership with a third party constructing or managing the project, at least \$500,000 in capital investment in a capital investment project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business or \$250,000 if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; and:

(i) create at least ten new full-time employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business or five new full-time employee positions within two years of the benefit date if the project is located outside the metropolitan area as defined in section 200.02, subdivision 24, or if 51 percent of the business is cumulatively owned by minorities, veterans, women, or persons with a disability; or

(ii) expend at least \$25,000,000, which may include the installation and purchase of machinery and equipment, in capital investment and retain at least 200 employees for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 75 employees for projects located outside the metropolitan area;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

With the commissioner's authorization, the one-year period requirement to meet minimum capital investment requirements under clause (3) and the minimum job creation requirements under clause (3), item (i), may be extended for up to 12 months for projects that must meet these requirements within 12 months of an active peacetime emergency as declared by the governor.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

**EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

Sec. 6. Minnesota Statutes 2020, section 116J.994, subdivision 6, is amended to read:

Subd. 6. **Failure to meet goals.** (a) The subsidy agreement must specify the recipient's obligation if the recipient does not fulfill the agreement. At a minimum, the agreement must require a recipient failing to meet subsidy agreement goals to pay back the assistance plus interest to the grantor or, at the grantor's option, to the account created under section 116J.551 provided that repayment may be prorated to reflect partial fulfillment of goals. The interest rate must be set at no less than the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. The grantor, after a public hearing, may extend for up to one year the period for meeting the wage and job goals under subdivision 4 provided in a subsidy agreement or up to two years if a peacetime emergency under section 12.31, subdivision 2, as declared by the governor is active during the initial two-year compliance period. A grantor may extend the period for meeting other goals under subdivision 3, paragraph (a), clause (3), by documenting in writing the reason for the extension and attaching a copy of the document to its next annual report to the department.

(b) A recipient that fails to meet the terms of a subsidy agreement may not receive a business subsidy from any grantor for a period of five years from the date of failure or until a recipient satisfies its repayment obligation under this subdivision, whichever occurs first.

(c) Before a grantor signs a business subsidy agreement, the grantor must check with the compilation and summary report required by this section to determine if the recipient is eligible to receive a business subsidy.

**EFFECTIVE DATE.** This section is effective retroactively from March 15, 2020.

Sec. 7. Minnesota Statutes 2020, section 116L.02, is amended to read:

#### **116L.02 JOB SKILLS PARTNERSHIP PROGRAM.**

~~(a)~~ The Minnesota Job Skills Partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to prepare, train and place prospective or incumbent workers in identifiable positions as well as assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall provide grants to educational or other nonprofit institutions for the purpose of training workers. A participating business must match the grant-in-aid made by the Minnesota Job Skills Partnership. The match may be in the form of funding, equipment, or faculty.

~~(b) The partnership program is authorized to use funds to pay for training for individuals who have incomes at or below 200 percent of the federal poverty line. The board may grant funds to eligible recipients to pay for board-certified training. Eligible recipients of grants may include public, private, or nonprofit entities that provide employment services to low-income individuals.~~

Sec. 8. Minnesota Statutes 2020, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. **Members.** The partnership shall be governed by a board of ~~12~~ 13 directors.

Sec. 9. Minnesota Statutes 2020, section 116L.03, subdivision 2, is amended to read:

Subd. 2. **Appointment.** The Minnesota Job Skills Partnership Board consists of: ~~seven~~ eight members appointed by the governor, the commissioner of employment and economic development, the chancellor, or the chancellor's designee, of the Minnesota State Colleges and Universities, the president, or the president's designee, of the University of Minnesota, and two nonlegislator members, one appointed by the Subcommittee on Committees of the senate Committee on Rules and Administration and one appointed by the speaker of the house. If the chancellor or the president of the university makes a designation under this subdivision, the designee must have experience in technical education. Four of the appointed members must be members of the governor's Workforce Development Board, of whom two must represent organized labor and two must represent business and industry. ~~One of the appointed members must be a representative of a nonprofit organization that provides workforce development or job training services.~~ Two of the members must be from community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals or communities facing barriers to employment.

Sec. 10. Minnesota Statutes 2020, section 116L.03, subdivision 3, is amended to read:

Subd. 3. **Qualifications.** Members must have expertise in, and be representative of one of the following fields ~~of~~: education, job skills training, labor, business, ~~and~~ or government.

Sec. 11. Minnesota Statutes 2020, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use ~~workforce development~~ funds appropriated under section 116L.20, subdivision 2, paragraph (b), clause (1), for the purposes outlined in sections 116L.02 and 116L.04, or to provide incumbent worker training services under section 116L.18 116L.21 and 116L.22 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits disaggregated by race and ethnicity, job vacancy data, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and management and budget, and to the public.

Sec. 12. Minnesota Statutes 2020, section 116L.17, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them in this subdivision.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been temporarily or permanently separated or has received a notice of temporary or permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits; ~~and is unlikely to return to the previous industry or occupation;~~

~~(2) has been long term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;~~

~~(3)~~ (2) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

~~(4)~~ (3) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters;

~~(5)~~ (4) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job verified to be below the skill level and earning capacity of the veteran;

~~(6)~~ (5) is an individual determined by the United States Department of Labor to be covered by trade adjustment assistance under United States Code, title 19, sections 2271 to 2331, as amended; or

~~(7)~~ (6) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support. To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

For the purposes of this section, "dislocated worker" does not include an individual who was an employee, at the time employment ceased, of a political committee, political fund, principal campaign committee, or party unit, as those terms are used in chapter 10A, or an organization required to file with the federal elections commission.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 13. Minnesota Statutes 2020, section 116L.17, subdivision 4, is amended to read:

Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for any combination of the following, except as otherwise provided in this section:

(1) employment transition services such as developing readjustment plans for individuals; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment of skills and aptitudes; provision of occupational and labor market information; job placement assistance; job search; job development; prelayoff assistance; relocation assistance; programs provided in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs; and entrepreneurial training and business consulting;

(2) support services, including assistance to help the participant relocate to employ existing skills; out-of-area job search assistance; family care assistance, including child care; ~~commuting~~ transportation assistance; emergency housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program with the goal of reemployment;

(3) specific, short-term training to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic and remedial education to enhance current skills; and literacy and work-related English training for non-English speakers;

(4) long-term training in a new occupation or industry, including occupational skills training or customized training in an accredited program recognized by one or more relevant industries. Long-term training shall only be provided to dislocated workers whose skills are obsolete and who have no other transferable skills likely to result in employment at a comparable wage rate. Training shall only be provided for occupations or industries with reasonable expectations of job availability based on the service provider's thorough assessment of local labor market information where the individual currently resides or is willing to relocate. This clause shall not restrict training in personal services or other such industries; and

(5) direct training services to provide a measurable increase in the job-related skills of participating incumbent workers, including basic assessment, counseling, and preemployment training services requested by the qualifying employer.

Sec. 14. Minnesota Statutes 2020, section 116L.20, subdivision 2, is amended to read:

Subd. 2. **Disbursement of special assessment funds.** (a) The money collected under this section shall be deposited in the state treasury and credited to the workforce development fund to provide for employment and training programs. The workforce development fund is created as a special account in the state treasury.

(b) ~~All money in the fund not otherwise appropriated or transferred is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17 and as provided for in paragraph (d).~~ Of the money in the fund not otherwise appropriated or transferred by July 1 of each year:

(1) at least 30 percent is appropriated to the Job Skills Partnership Board for the purposes of section 116L.17. If the conditions under section 116L.05, subdivision 5, are met as of March 1 of each year, a minimum of 50 percent and up to a maximum of 70 percent of the unspent money must be transferred for the programs under sections 116L.21 and 116L.22;

(2) up to five percent is appropriated to the Job Skills Partnership Board for the purposes of sections 116L.02 and 116L.04; and

(3) up to 65 percent is appropriated to the commissioner for workforce development grants under subdivision 3.

(c) The board must act as the fiscal agent for the money and must disburse that money for the purposes of section 116L.17, not allowing the money to be used for any other obligation of the state. All money in the workforce development fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(e) (d) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

~~(d) If the board determines that the conditions of section 116L.05, subdivision 5, have been met, the board may use funds for the purposes outlined in section 116L.04, or to provide incumbent worker training services under section 116L.18.~~

Sec. 15. Minnesota Statutes 2020, section 116L.20, is amended by adding a subdivision to read:

Subd. 3. **Workforce development grants.** (a) Grants awarded using money appropriated under subdivision 2, paragraph (b), clause (3), must be allocated to maximize delivery to organizations with strong relationships with individuals who are Black, Indigenous, or People of Color. Grant awards must be consistent with the overall geographic population distribution of the state. Preference or priority for grant awards must be given to organizations with experience serving communities with the greatest needs that are Black, Indigenous, and People of Color.

(b) Of the amount appropriated under subdivision 2, paragraph (b), clause (3):

(1) up to six percent is for administration and monitoring of the workforce development programs; and

(2) grants must be made for programs under sections 116L.362, 116L.561, 116L.562, 116L.96, 116L.981, and 116L.99.

(c) Of the amount appropriated under subdivision 2, paragraph (b), clause (3), remaining after the appropriations under paragraph (b):

(1) 50 percent is for removing barriers to employment grants under section 116L.21; and

(2) 50 percent is for innovative employment solutions grants under section 116L.22.

(d) When making competitive grants for adult grantees, the commissioner shall benchmark outcomes against similar populations with similar barriers to employment. The commissioner must consider the following outcomes for competitive grant awards focused on adults: job placement and retention, wage levels, and credentials attainment. The commissioner must consider the following outcomes for competitive grant awards focused on youth: work readiness, credentials, and placement.

Sec. 16. **[116L.21] REMOVING BARRIERS TO EMPLOYMENT GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Minority" means a person who identifies as a member of one or more of the following groups:

(1) Black, including persons having origins of any of the Black African racial groups not of Hispanic origin;



(2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American, South American, or other Spanish culture or origin, regardless of race;

(3) Asian and Pacific Islander, including persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and

(4) American Indian or Alaskan Native, including persons having origins in any of the original people of North America and maintaining identifiable Tribal affiliations through membership and participation or community identification.

(d) "Program" means the removing barriers to employment grant program under this section.

(e) "Targeted population" means socially and economically disadvantaged minority populations who experience complex needs and barriers to employment.

Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program for organizations to provide individuals with barriers to employment the services, including supportive services, needed to enter, participate in, and complete workforce preparation, training, and education programs.

Subd. 3. **Grants.** (a) Grants under this section shall be awarded on a competitive basis after consultation with the Grant Review Advisory Council under section 116L.23.

(b) The commissioner must provide outreach and technical assistance to prospective applicants.

(c) Grant applicants may be required to participate in technical assistance activities, including but not limited to convening communities of practice to identify and help replicate evidence-based practices and to help facilitate an assessment and evaluation of grant performance and initiative success.

Subd. 4. **Award criteria.** (a) The commissioner shall develop criteria for the selection of grant recipients that focus on but are not limited to the applicant's demonstrated capacity to provide services to targeted populations.

(b) Priority must be given to applications that integrate individuals from targeted populations into career pathway programs aligned with regional labor market needs.

(c) Grant awards must cumulatively ensure the provision of services statewide and to a range of targeted populations.

Subd. 5. **Capacity building grants.** (a) A portion of the money available for this program must be allocated for capacity building competitive grants to small, culturally specific nonprofit organizations that serve historically underserved cultural communities and have an annual organizational budget of less than \$500,000.

(b) Capacity building grants may be used for the following purposes: organizational infrastructure improvement, organizational workforce development, and the creation or expansion of partnerships.

Subd. 6. **Performance outcome measures.** Reporting and performance outcomes for this program must comply with the requirements under section 116L.98.

Subd. 7. **Report to the legislature.** (a) Within one year of receiving grant funds under this section, organizations must each submit a written report to the commissioner on the use of grant funds.

(b) Beginning in January 2023, the commissioner must submit a biennial report on the information reported under paragraph (a), as required under section 3.195. A copy of this report must also be sent to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development.

Sec. 17. **[116L.22] INNOVATIVE EMPLOYMENT SOLUTIONS GRANT PROGRAM.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of employment and economic development.

(c) "Department" means the Department of Employment and Economic Development.

(d) "Minority" means a person who identifies as a member of one or more of the following groups:

(1) Black, including persons having origins of any of the Black African racial groups not of Hispanic origin;

(2) Hispanic, including persons of Mexican, Puerto Rican, Cuban, Central American, South American, or other Spanish culture or origin, regardless of race;

(3) Asian and Pacific Islander, including persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent, or the Pacific Islands; and

(4) American Indian or Alaskan Native, including persons having origins in any of the original people of North America and maintaining identifiable Tribal affiliations through membership and participation or community identification.

(e) "Performance measures" means specific, measurable, time-based goals, the completion of which predicates payment under a pay for performance agreement.

(f) "Program" means the innovative employment solutions grant program under this section.

(g) "Targeted population" means socially and economically disadvantaged minority populations who experience complex needs and barriers to employment.

Subd. 2. **Establishment.** The commissioner shall establish a competitive grant program for organizations to provide individuals with barriers to employment the services, including supportive services needed to enter, participate in, and complete workforce preparation, training, and education programs aligned with regional labor market needs in innovative ways. This program shall fund new ideas and approaches and work with organizations with no previous record of accomplishments with the department. Priority must be given to applications that integrate individuals from targeted populations into career pathway programs aligned with regional labor market needs.

Subd. 3. **Grants.** (a) Grants under this section shall be awarded on a competitive basis after consultation with the Grant Review Advisory Council under section 116L.23.

(b) The commissioner must provide outreach and technical assistance to prospective applicants.

(c) Grant applicants may be required to participate in technical assistance activities, including but not limited to convening communities of practice to identify and help replicate evidence-based practices and to help facilitate an assessment and evaluation of grant performance and initiative success.

Subd. 4. **Pay for performance.** (a) All grants under the program must be pay for performance under a written agreement with the commissioner that stipulates the specific project, services, time period, number of participants, population targeted, and quantifiable performance measures the applicant organization will achieve, along with an amount of money that will be paid to the organization if those performance measures are achieved within the stated time period.

(b) Achievement of the specified performance measures shall be determined by an independent evaluator procured by the organization.

(c) To enter into a written agreement under this subdivision, the applicant organization must first provide evidence that it has secured all necessary financing before service delivery begins and must provide information on these sources of funding, including any matching funds that will be used.

Subd. 5. **Performance outcome measures.** Reporting and performance outcomes for this program must comply with the requirements under section 116L.98.

Subd. 6. **Report to legislature.** (a) Within one year of receiving grant funds under this section, organizations must each submit a written report to the commissioner on the use of grant funds.

(b) Beginning in January 2023, the commissioner must submit a biennial report on the information reported under paragraph (a), as required under section 3.195. A copy of this report must also be sent to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over workforce development.

Sec. 18. **[116L.23] GRANT REVIEW ADVISORY COUNCIL.**

Subdivision 1. **Establishment.** The commissioner of employment and economic development shall establish a Grant Review Advisory Council to review grant applications and make recommendations to the commissioner.

Subd. 2. **Appointment of members.** (a) By July 15, 2021, the commissioner shall appoint 15 members to the advisory council. These members must have demonstrated experience and expertise in workforce development and must represent a diverse range of communities and perspectives.

(b) After the initial appointments, members of the advisory council shall be appointed no later than January 15 of every odd-numbered year and shall serve until January 15 of the next odd-numbered year. Members may be removed and vacancies filled as provided in section 15.059, subdivision 4. Appointed members are eligible for reappointment and shall serve until their successors have been appointed.

Subd. 3. **Operations.** (a) The commissioner shall convene the first meeting of the advisory council no later than August 1, 2021. The advisory council shall elect a chair and other officers at its first meeting and biannually thereafter. The duties of these officers shall be established by the advisory council.

(b) Members of the advisory council serve without compensation or payment of expenses.

(c) The commissioner shall provide meeting space and administrative services for the advisory council. All costs necessary to support the advisory council's operations must be absorbed using existing appropriations available to the commissioner.

(d) The advisory council is subject to chapter 13D, but may close a meeting to discuss sensitive private business information included in grant applications. Data related to an application for a grant submitted to the advisory council is governed by section 13.599.

Subd. 4. **Review of grants.** The advisory council shall establish criteria for ranking applicants for awards under each grant program in which the council provides recommendations to the commissioner. This criteria must consider which applicants are currently able or have the best potential to:

(1) reach a broad diverse audience, including any populations targeted by the program, through their recruitment and outreach efforts;

(2) significantly increase enrollment in and completion of the training program the applicant plans to promote; and

(3) fill existing market needs for skilled workers.

The advisory council must also consider the documented employment outcomes each applicant achieved when operating similar programs in the past.

Subd. 5. **Conflicts of interest.** A member of the advisory council must not participate in the consideration of an application submitted by anyone with whom the member has a financial or personal relationship and must complete a conflict of interest form indicating the nature of such a relationship before participating in the consideration of any applicants in the same round of applications to that grant program.

Sec. 19. Minnesota Statutes 2020, section 116L.40, is amended by adding a subdivision to read:

Subd. 2a. **Automation technology.** "Automation technology" means a process or procedure performed with minimal human assistance. Automation or automatic control is the use of various control systems for operating equipment such as machinery, processes in factories, or other applications with minimal or reduced human intervention. Adoption, implementation, and utilization of any one of three types of automation in production are acceptable for consideration of this program, including fixed automation, programmable automation, and flexible automation.

Sec. 20. Minnesota Statutes 2020, section 116L.40, subdivision 5, is amended to read:

Subd. 5. **Employee.** "Employee" means the individual employed in a new or existing job.

Sec. 21. Minnesota Statutes 2020, section 116L.40, subdivision 6, is amended to read:

Subd. 6. **Employer.** "Employer" means the individual, corporation, partnership, limited liability company, or association providing new jobs or investing in new automation technology and entering into an agreement.

Sec. 22. Minnesota Statutes 2020, section 116L.40, subdivision 9, is amended to read:

Subd. 9. **Program costs.** "Program costs" means all necessary and incidental costs of providing program services, ~~except that program costs are increased by \$1,000 per employee for an individual with a disability.~~ The term does not include the cost of purchasing equipment to be owned or used by the training or educational institution or service.

Sec. 23. Minnesota Statutes 2020, section 116L.40, subdivision 10, is amended to read:

Subd. 10. **Program services.** "Program services" means training and education specifically directed to new or existing jobs that are determined to be appropriate by the commissioner, including in-house training; services provided by institutions of higher education and federal, state, or local agencies; or private training or educational services. Administrative services and assessment and testing costs are included.

Sec. 24. Minnesota Statutes 2020, section 116L.41, subdivision 1, is amended to read:

Subdivision 1. **Service provision.** Upon request, the commissioner shall provide or coordinate the provision of program services under sections 116L.40 to 116L.42 to a business eligible for grants under this section 116L.42. The commissioner shall specify the form of and required information to be provided with applications for projects to be funded with grants under this section 116L.42.

Sec. 25. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision to read:

**Subd. 1a. Job training incentive program.** (a) The commissioner may provide grants in aid of up to \$200,000 to new or expanding employers at a location in Minnesota and outside of the metropolitan area, as defined in section 473.121, subdivision 2, for the provision of program services using the guidelines in this subdivision.

(b) The program must involve training and education specifically directed to new jobs that are determined to be appropriate by the commissioner.

(c) The program must give preference to projects that provide training for economically disadvantaged people, people of color, or people with disabilities and to employers located in economically distressed areas.

(d) Employers are eligible for reimbursement of program costs of up to \$10,000 per new job for which training is provided, with an additional \$1,000 available per new job for an individual with a disability.

Sec. 26. Minnesota Statutes 2020, section 116L.41, is amended by adding a subdivision to read:

**Subd. 1b. Automation incentive program.** (a) The commissioner may provide grants in aid of up to \$35,000 to employers at a location in Minnesota outside of the metropolitan area, as defined in section 473.121, subdivision 2, for the provision of program services using the guidelines in this subdivision.

(b) The employer must be an existing business located in Minnesota that is in the manufacturing or skilled assembly production industry and has 150 or fewer full-time employees companywide.

(c) The employer must be invested in new automation technology within the past year or plan to invest in new automation technology within the project time frame specified in the agreement under subdivision 3.

(d) The program must involve training and education for full-time, permanent employees that is directly related to the new automation technology.

(e) The program must give preference to projects that provide training for economically disadvantaged people, people of color, or people with disabilities and to employers located in economically distressed areas.

(f) Employers are eligible for program cost reimbursement of up to \$5,000 per employee trained on new automation technology and retained.

Sec. 27. Minnesota Statutes 2020, section 116L.41, subdivision 2, is amended to read:

Subd. 2. **Agreements; required terms.** (a) The commissioner may enter into an agreement to establish a project with an employer that:

- (1) identifies program costs to be paid from sources under the program;
- (2) identifies program costs to be paid by the employer;

(3) provides that on-the-job training costs for employees may not exceed 50 percent of the annual gross wages and salaries of the new jobs in the first full year after execution of the agreement up to a maximum of \$10,000 per eligible employee;

(4) provides that each employee ~~must be paid wages at least equal to the median hourly wage for the county in which the job is located, as reported in the most recently available data from the United States Bureau of the Census, plus benefits, by the earlier of the end of the training period or 18 months of employment under the project receiving training through the project must be paid wages of at least 120 percent of the federal poverty guidelines for a family of four, plus benefits;~~ and

(5) provides that job training will be provided and the length of time of training.

(b) Before entering into a final agreement, the commissioner shall:

(1) determine that sufficient funds for the project are available ~~under section 116L.42;~~ and

(2) investigate the applicability of other training programs and determine whether the job skills partnership grant program is a more suitable source of funding for the training and whether the training can be completed in a timely manner that meets the needs of the business.

The investigation under clause (2) must be completed within 15 days or as soon as reasonably possible after the employer has provided the commissioner with all the requested information.

Sec. 28. Minnesota Statutes 2020, section 116L.42, subdivision 1, is amended to read:

Subdivision 1. **Recovery of program costs.** Amounts paid by employers for program costs are repaid by a job training grant equal to the lesser of the following:

(1) the amount of program costs specified in the agreement for the project; or

(2) the amount of program costs paid by the employer for ~~new~~ training employees under a project.

Sec. 29. Minnesota Statutes 2020, section 116L.42, subdivision 2, is amended to read:

Subd. 2. **Reports.** (a) By February 1, ~~2018~~ 2024, the commissioner shall report to the governor and the legislature on the program. The report must include at least:

(1) the amount of grants issued under the program;

(2) the number of individuals receiving training under the program, including the number of new hires who are individuals with disabilities;

(3) the number of new hires attributable to the program, including the number of new hires who are individuals with disabilities;

(4) an analysis of the effectiveness of the grant in encouraging employment or investments in automation technology; and

(5) any other information the commissioner determines appropriate.

(b) The report to the legislature must be distributed as provided in section 3.195.

Sec. 30. Minnesota Statutes 2020, section 116L.98, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The commissioner shall develop and implement a uniform outcome measurement and reporting system for adult workforce-related programs funded in whole or in part by state funds as well as for youth workforce-related programs funded in whole or in part by state funds. For the purpose of this section, "workforce-related programs" means all education and training programs administered by the commissioner and includes programs and services administered by the commissioner and provided to individuals enrolled in adult basic education under section 124D.52 and the Minnesota family investment program under chapter 256J.

Sec. 31. Minnesota Statutes 2020, section 116L.98, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. ~~This definition does not include certificates awarded by workforce investment boards or work readiness certificates.~~

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Placement" means when a participant exits into unsubsidized employment, postsecondary education, vocational or occupational skills training, a registered apprenticeship, or the military.

~~(e)~~ (f) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

Sec. 32. Minnesota Statutes 2020, section 116L.98, subdivision 3, is amended to read:

Subd. 3. **Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

- (1) the total number of participants enrolled;
- (2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;
- (3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;
- (4) the total number of participants enrolled in training;
- (5) the total number of participants enrolled in training by occupational group;
- (6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry; and

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit;

~~(13) the total cost of the program;~~

~~(14) the total cost of the program per participant;~~

~~(15) the cost per credential received by a participant; and~~

~~(16) the administrative cost of the program.~~

~~(b)~~ The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not. The report to the legislature shall include a summary of current program trends in the state that are relevant to workforce development and employment outcomes.

~~(c)~~ The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

(b) For youth workforce-related programs funded in whole or in part by state funds the following shall be reported:

(1) the total number of participants enrolled in training;

(2) the total number of participants who completed training;

(3) the total number of exited participants who have a placement in employment;

(4) the total number of exited participants who have a placement in post-secondary education;

(5) the total number of exited participants with a placement in occupational or vocational skills training, apprenticeship training, or military training;

(6) the total number of exited participants who have returned to school;

(7) the total number of exited participants who earned academic credit or service learning credit for work-based learning or participation in work experience;



(8) the total number of exited participants who have earned their high school diploma or GED;

(9) the total number of exited participants who have earned a certificate or industry-recognized credential; and

(10) the total number of exited participants who have completed and attained a work readiness skills training. "Work readiness" means a participant has the knowledge the participant needs in order to seek out employment. Activities, programs, or services must be designed to help an individual acquire a combination of basic academic skills, critical thinking skills, digital literacy skills, and self-management skills, including competencies in: (i) utilizing resources; (ii) using information; (iii) working with others; (iv) understanding systems; (v) skills necessary for successful transition into and completion of postsecondary education or training, or employment; and (vi) other employability skills. Competencies are measured through a pre- and post-training checklist completed and evaluated by employers.

Sec. 33. **[116L.981] PATHWAYS TO PROSPERITY PROGRAM.**

Subdivision 1. **Pathways to prosperity.** (a) The commissioner shall establish a pathways to prosperity grant program to award grants to organizations to train low-skill, low-income adults, and adults facing the greatest employment disparities, and to assist them in finding employment in high-demand industries with long-term employment opportunities.

(b) "Pathways to prosperity" means a combination of rigorous and high-quality education, training, and other services that:

(1) aligns with the skill needs of high-growth industries in the state, regional, or local economy;

(2) prepares individuals to enter in demand careers;

(3) includes counseling and to support an individual in achieving the individual's education and career goals;

(4) includes, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster;

(5) organizes education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

(6) enables an individual to attain a relevant academic award, certificate, or industry-recognized credential; and

(7) helps an individual enter or advance within a specific occupation or occupational cluster.

Subd. 2. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Career pathway" means a career-readiness program that combines vocational skills training, education, and support services and results in either industry-specific training or an industry-recognized credential. Career pathway includes sector specific vocational skills training that leads to employment in high-demand occupations.

(c) "Pathways to prosperity grant program" or "grant program" means the competitive grant program created in this section.

Subd. 3. **Competitive grant process.** (a) The commissioner shall award grants to applicants through a competitive grant process. This process shall include an expedited application process for previous grant recipients that operate career pathway programs that are aligned with current labor market needs and that are meeting or exceeding their performance goals related to training and placement for individuals facing multiple barriers to employment.

(b) The commissioner shall develop criteria for making grants in consultation with workforce development service providers. These criteria shall include guidelines for multiple types of career pathways. These criteria shall also consider a program's alignment with the labor market in the community where the program operates and, where applicable, a program's previous grant performance.

(c) All reporting requirements for grant recipients shall be outlined in plain language in both the request for proposal and the grant contract.

(d) The commissioner shall provide applicants with technical assistance with understanding application procedures and program guidelines.

(e) All grants shall be two years in length.

Subd. 4. **Performance metrics.** Reporting and performance outcomes for the grant program under this section shall comply with the requirements under section 116L.98.

Sec. 34. Laws 2019, First Special Session chapter 7, article 2, section 8, is amended to read:

Sec. 8. **LAUNCH MINNESOTA.**

Subdivision 1. **Establishment.** Launch Minnesota is established within the Business and Community Development Division of the Department of Employment and Economic Development to encourage and support the development of new private sector technologies and support the science and technology policies under Minnesota Statutes, section 3.222. Launch Minnesota must provide entrepreneurs and emerging technology-based companies business development assistance and financial assistance to spur growth.

Subd. 2. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Advisory board" means the board established under subdivision 9.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Department" means the Department of Employment and Economic Development.

(e) "Entrepreneur" means a Minnesota resident who is involved in establishing a business entity and secures resources directed to its growth while bearing the risk of loss.

(f) "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.

(g) ~~"High technology" includes aerospace, agricultural processing, renewable energy, energy efficiency and conservation, environmental engineering, food technology, cellulosic ethanol, information technology, materials science technology, nanotechnology, telecommunications, biotechnology, medical device products, pharmaceuticals, diagnostics, biologicals, chemistry, veterinary science, and similar fields.~~ "Innovative technology and business" means a new novel business model or product; a derivative product incorporating new elements into an existing product; a new use for a product; or a new process or method for the manufacture, use, or assessment of any product or activity, patentability, or scalability. Innovative technology or business model does not include locally based retail, lifestyle, or business services. The business must not be engaged in real estate development, insurance, banking, lending, lobbying, political consulting, information technology consulting, wholesale or retail trade, leisure, hospitality, transportation, construction, ethanol production from corn, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants.

(h) "Institution of higher education" has the meaning given in Minnesota Statutes, section 136A.28, subdivision 6.

(i) "Minority group member" means a United States citizen or lawful permanent resident who is Asian, Pacific Islander, Black, Hispanic, or Native American.

~~(j) "Minority owned business" means a business for which one or more minority group members:~~

~~(1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and~~

~~(2) manage the business and control the daily business operations.~~

~~(k) (j) "Research and development" means any activity that is:~~

~~(1) a systematic, intensive study directed toward greater knowledge or understanding of the subject studies;~~

~~(2) a systematic study directed specifically toward applying new knowledge to meet a recognized need; or~~

~~(3) a systematic application of knowledge toward the production of useful materials, devices, systems and methods, including design, development and improvement of prototypes and new processes to meet specific requirements.~~

~~(l) (k) "Start-up" means a business entity that has been in operation for less than ten years, has operations in Minnesota, and is in the development stage defined as devoting substantially all of its efforts to establishing a new business and either of the following conditions exists:~~

~~(1) planned principal operations have not commenced; or~~

~~(2) planned principal operations have commenced, but have generated less than \$1,000,000 in revenue.~~

~~(m) (l) "Technology-related assistance" means the application and utilization of technological-information and technologies to assist in the development and production of new technology-related products or services or to increase the productivity or otherwise enhance the production or delivery of existing products or services.~~

~~(n) (m) "Trade association" means a nonprofit membership organization organized to promote businesses and business conditions and having an election under Internal Revenue Code section 501(c)(3) or 501(c)(6).~~

~~(o) (n) "Veteran" has the meaning given in Minnesota Statutes, section 197.447.~~

~~(p) "Women" means persons of the female gender.~~

~~(q) "Women owned business" means a business for which one or more women:~~

~~(1) own at least 50 percent of the business or, in the case of a publicly owned business, own at least 51 percent of the stock; and~~

~~(2) manage the business and control the daily business operations.~~

Subd. 3. **Duties.** The commissioner, by and through Launch Minnesota, shall:

(1) support innovation and initiatives designed to accelerate the growth of high technology innovative technology and business start-ups in Minnesota;

(2) in partnership with other organizations, offer classes and instructional sessions on how to start ~~a high tech and innovative~~ an innovative technology and business start-up;

(3) promote activities for entrepreneurs and investors regarding the state's growing innovation economy;

(4) hold events and meetings that gather key stakeholders in the state's innovation sector;

(5) conduct outreach and education on innovation activities and related financial programs available from the department and other organizations, particularly for underserved communities;

(6) interact and collaborate with statewide partners including but not limited to businesses, nonprofits, trade associations, and higher education institutions;

(7) administer an advisory board to assist with direction, grant application review, program evaluation, report development, and partnerships;

(8) accept grant applications under subdivisions 5, 6, and 7 and work with the advisory board to review and prioritize the applications and provide recommendations to the commissioner; and

(9) perform other duties at the commissioner's discretion.

Subd. 4. **Administration.** (a) The ~~department~~ commissioner shall employ an executive director in the unclassified service, one staff member to support Launch Minnesota, and one staff member in the business and community development division to manage grants. The executive director shall:

(1) assist the commissioner and the advisory board in performing the duties of Launch Minnesota; and

(2) comply with all state and federal program requirements, and all state and federal securities and tax laws and regulations.

(b) ~~To the extent possible, the space that~~ Launch Minnesota shall may occupy and lease ~~must be physical space~~ in a private coworking facility that includes office space for staff and space for community engagement for training entrepreneurs. The physical space leased under this paragraph is exempt from the requirements in Minnesota Statutes, section 16B.24, subdivision 6.

(c) At least three times per month, Launch Minnesota staff shall ~~visit~~ communicate with organizations in greater Minnesota that have received a grant under subdivision 7. To the extent possible, Launch Minnesota shall form partnerships with organizations located throughout the state.

(d) Launch Minnesota must accept grant applications under this section and provide funding recommendations to the commissioner, ~~who~~ and the commissioner shall distribute grants based in part on the recommendations.

Subd. 5. **Application process.** (a) The commissioner shall establish the application form and procedures for grants.

(b) Upon receiving recommendations from Launch Minnesota, the ~~department~~ commissioner is responsible for evaluating all applications using evaluation criteria which shall be developed by Launch Minnesota in consultation with the advisory board ~~and the commissioner~~.

(c) For grants under subdivision 6, priority shall be given if the applicant is:

(1) a business or entrepreneur located in greater Minnesota; or

(2) a business owner, individual with a disability, or entrepreneur who is a woman, veteran, or minority group member.

(d) For grants under subdivision 7, priority shall be given if the applicant is planning to serve:

(1) businesses or entrepreneurs located in greater Minnesota; or

(2) business owners, individuals with disabilities, or entrepreneurs who are women, veterans, or minority group members.

(e) The department staff, and not Launch Minnesota staff, ~~is~~ are responsible for awarding funding, disbursing funds, and monitoring grantee performance for all grants awarded under this section.

(f) Grantees must provide 50 percent in matching funds ~~by equal expenditures~~ and grant payments must be provided on a reimbursement basis after review of submitted receipts by the department.

(g) Grant applications must be accepted on a regular periodic basis by Launch Minnesota and must be reviewed by Launch Minnesota and the advisory board before being submitted to the commissioner with their recommendations.

Subd. 6. **Innovation grants.** (a) The commissioner shall distribute innovation grants under this subdivision.

(b) The commissioner shall provide a grant of up to \$35,000 to an eligible business or entrepreneur for research and development expenses, direct business expenses, and the purchase of technical assistance or services from public higher education institutions and nonprofit entities. Research and development expenditures may include but are not limited to proof of concept activities, intellectual property protection, prototype designs and production, and commercial feasibility. Expenditures funded under this subdivision are not eligible for the research and development tax credit under Minnesota Statutes, section 290.068. Direct business expenses may include rent, equipment purchases, and supplier invoices. Taxes imposed by federal, state, or local government entities may not be reimbursed under this paragraph. Technical assistance or services must be purchased to assist in the development or commercialization of a product or service to be eligible. Each business or entrepreneur may receive only one grant per biennium under this paragraph.

~~(c) The commissioner shall provide a grant of up to \$7,500 to reimburse an entrepreneur for housing or child care expenses for the entrepreneur or their spouse or children. Each entrepreneur may receive only one grant per biennium under this paragraph.~~

~~(d)~~ (c) The commissioner shall provide a grant of up to \$35,000 in Phase 1 or \$50,000 in Phase 2 to an eligible business or entrepreneur that, as a registered client of the Small Business Innovation Research (SBIR) program, has been awarded a first time Phase 1 or Phase 2 award pursuant to the SBIR or Small Business Technology Transfer (STTR) programs after July 1, 2019. Each business or entrepreneur may receive only one grant per biennium under this paragraph. Grants under this paragraph are not subject to the requirements of subdivision 2, paragraph ~~(j)~~ (k), but do require a recommendation from the Launch Minnesota advisory board.

Subd. 7. **Entrepreneur education grants.** (a) The commissioner shall make entrepreneur education grants to institutions of higher education and other organizations to provide educational programming to entrepreneurs and provide outreach to and collaboration with businesses, federal and state agencies, institutions of higher education, trade associations, and other organizations working to advance innovative, ~~high~~ technology businesses throughout Minnesota.

(b) Applications for entrepreneur education grants under this subdivision must be submitted to the commissioner and evaluated by department staff other than Launch Minnesota. The evaluation criteria must be developed by Launch Minnesota, in consultation with the advisory board, and the commissioner, and priority must be given to an applicant who demonstrates activity assisting ~~businesses~~ business owners or entrepreneurs residing in greater Minnesota or who are women, veterans, or minority group members.

(c) Department staff other than Launch Minnesota staff ~~is~~ are responsible for awarding funding, disbursing funds, and monitoring grantee performance under this subdivision.

(d) Grantees may use the grant funds to deliver the following services:

(1) development and delivery to ~~high~~ innovative technology businesses of industry specific or innovative product or process specific counseling on issues of business formation, market structure, market research and strategies, securing first mover advantage or overcoming barriers to entry, protecting intellectual property, and securing debt or equity capital. This counseling is to be delivered in a classroom setting or using distance media presentations;

(2) outreach and education to businesses and organizations on the small business investment tax credit program under Minnesota Statutes, section 116J.8737, the MNvest crowd-funding program under Minnesota Statutes, section 80A.461, and other state programs that support ~~high~~ innovative technology business creation especially in underserved communities;

(3) collaboration with institutions of higher education, local organizations, federal and state agencies, the Small Business Development Center, and the Small Business Assistance Office to create and offer educational programming and ongoing counseling in greater Minnesota that is consistent with those services offered in the metropolitan area; and

(4) events and meetings with other innovation-related organizations to inform entrepreneurs and potential investors about Minnesota's growing information economy.

Subd. 8. **Report.** Launch Minnesota shall report by December 31, 2022, and again by December 31, 2023, to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development policy and finance. Each report shall include information on the work completed, including awards made by the department under this section and progress toward transferring some activities of Launch Minnesota to an entity outside of state government.

Subd. 9. **Advisory board.** (a) The commissioner shall establish an advisory board to advise the executive director regarding the activities of Launch Minnesota, make the recommendations described in this section, and develop and initiate a strategic plan for transferring some activities of Launch Minnesota to a new or existing public-private partnership or nonprofit organization outside of state government.

(b) The advisory board shall consist of ~~ten~~ 12 members and is governed by Minnesota Statutes, section 15.059. A minimum of seven members must be from the private sector representing business and at least two members but no more than three members must be from government and higher education. At least three of the members of the advisory board shall be from greater Minnesota and at least three members shall be minority group members. Appointees shall represent a range of interests, including entrepreneurs, large businesses, industry organizations, investors, and both public and private small business service providers.

(c) The advisory board shall select a chair from its ~~private sector~~ members. The executive director shall provide administrative support to the committee.

(d) The commissioner, or a designee, shall serve as an ex-officio, nonvoting member of the advisory board.

Subd. 10. **Expiration.** This section expires January 1, 2024.

Sec. 35. **GRANT EXCEPTIONS.**

Notwithstanding Minnesota Statutes, sections 116J.8731, subdivision 5, and 116J.8748, subdivision 4, the commissioner may approve a Minnesota investment fund grant or job creation fund grant of up to \$2,000,000 for qualified applicants. This section expires July 1, 2022.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 36. **ONETIME EXCEPTION TO RESTRICTIONS ON USE OF MINNESOTA INVESTMENT FUND LOCAL GOVERNMENT LOAN REPAYMENT FUNDS.**

(a) Notwithstanding Minnesota Statutes, section 116J.8731, a home rule charter or statutory city, county, or town that has uncommitted money received from repayment of funds awarded under Minnesota Statutes, section 116J.8731, may choose to transfer 20 percent of the balance of that money to the state general fund before June 30, 2022. Any local entity that does so may then use the remaining 80 percent of the uncommitted money as a general purpose aid for any lawful expenditure.

(b) By February 15, 2023, a home rule charter or statutory city, county, or town that exercises the option under paragraph (a) shall submit to the chairs of the legislative committees with jurisdiction over economic development policy and finance an accounting and explanation of the use and distribution of the funds.

Sec. 37. **REPEALER.**

Minnesota Statutes 2020, section 116L.18, is repealed.

ARTICLE 4  
FAMILY AND MEDICAL BENEFITS

Section 1. Minnesota Statutes 2020, section 13.719, is amended by adding a subdivision to read:

**Subd. 7. Family and medical insurance data.** (a) For the purposes of this subdivision, the terms used have the meanings given them in section 268B.01.

(b) Data on applicants, family members, or employers under chapter 268B are private or nonpublic data, provided that the department may share data collected from applicants with employers or health care providers to the extent necessary to meet the requirements of chapter 268B or other applicable law.

(c) The department and the Department of Labor and Industry may share data classified under paragraph (b) to the extent necessary to meet the requirements of chapter 268B or the Department of Labor and Industry's enforcement authority over chapter 268B, as provided in section 177.27.

Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, 268B.09, subdivisions 1 to 6, and 268B.14, subdivision 3, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to

177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 3. Minnesota Statutes 2020, section 181.032, is amended to read:

**181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER; NOTICE TO EMPLOYEE.**

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements, and must make statements available for review or printing for a period of three years.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the rate or rates of pay and basis thereof, including whether the employee is paid by hour, shift, day, week, salary, piece, commission, or other method;

(3) allowances, if any, claimed pursuant to permitted meals and lodging;

(4) the total number of hours worked by the employee unless exempt from chapter 177;

(5) the total amount of gross pay earned by the employee during that period;

(6) a list of deductions made from the employee's pay;

(7) any amount deducted by the employer under section 268B.14, subdivision 3, and the amount paid by the employer based on the employee's wages under section 268B.14, subdivision 1;

~~(7)~~ (8) the net amount of pay after all deductions are made;

~~(8)~~ (9) the date on which the pay period ends;

~~(9)~~ (10) the legal name of the employer and the operating name of the employer if different from the legal name;

~~(10)~~ (11) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

~~(11)~~ (12) the telephone number of the employer.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.



(d) At the start of employment, an employer shall provide each employee a written notice containing the following information:

(1) the rate or rates of pay and basis thereof, including whether the employee is paid by the hour, shift, day, week, salary, piece, commission, or other method, and the specific application of any additional rates;

(2) allowances, if any, claimed pursuant to permitted meals and lodging;

(3) paid vacation, sick time, or other paid time-off accruals and terms of use;

(4) the employee's employment status and whether the employee is exempt from minimum wage, overtime, and other provisions of chapter 177, and on what basis;

(5) a list of deductions that may be made from the employee's pay;

(6) the number of days in the pay period, the regularly scheduled pay day, and the pay day on which the employee will receive the first payment of wages earned;

(7) the legal name of the employer and the operating name of the employer if different from the legal name;

(8) the physical address of the employer's main office or principal place of business, and a mailing address if different; and

(9) the telephone number of the employer.

(e) The employer must keep a copy of the notice under paragraph (d) signed by each employee acknowledging receipt of the notice. The notice must be provided to each employee in English. The English version of the notice must include text provided by the commissioner that informs employees that they may request, by indicating on the form, the notice be provided in a particular language. If requested, the employer shall provide the notice in the language requested by the employee. The commissioner shall make available to employers the text to be included in the English version of the notice required by this section and assist employers with translation of the notice in the languages requested by their employees.

(f) An employer must provide the employee any written changes to the information contained in the notice under paragraph (d) prior to the date the changes take effect.

Sec. 4. Minnesota Statutes 2020, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as provided by this section, data gathered from any person under the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except according to a district court order or section 13.05. A subpoena is not considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

(1) state and federal agencies specifically authorized access to the data by state or federal law;

(2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;

(3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;

(4) the public authority responsible for child support in Minnesota or any other state in accordance with section 256.978;

(5) human rights agencies within Minnesota that have enforcement powers;

(6) the Department of Revenue to the extent necessary for its duties under Minnesota laws;

(7) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(8) the Department of Labor and Industry and the Commerce Fraud Bureau in the Department of Commerce for uses consistent with the administration of their duties under Minnesota law;

(9) the Department of Human Services and the Office of Inspector General and its agents within the Department of Human Services, including county fraud investigators, for investigations related to recipient or provider fraud and employees of providers when the provider is suspected of committing public assistance fraud;

(10) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of Supplemental Nutrition Assistance Program (SNAP) benefits, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B or 256L or formerly codified under chapter 256D;

(11) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(12) local, state, and federal law enforcement agencies for the purpose of ascertaining the last known address and employment location of an individual who is the subject of a criminal investigation;

(13) the United States Immigration and Customs Enforcement has access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency;

(14) the Department of Health for the purposes of epidemiologic investigations;

(15) the Department of Corrections for the purposes of case planning and internal research for preprobation, probation, and postprobation employment tracking of offenders sentenced to probation and preconfinement and postconfinement employment tracking of committed offenders;

(16) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201; ~~and~~

(17) the Office of Higher Education for purposes of supporting program improvement, system evaluation, and research initiatives including the Statewide Longitudinal Education Data System; ~~and~~

(18) the Family and Medical Benefits Division of the Department of Employment and Economic Development to be used as necessary to administer chapter 268B.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation under section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except under statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department in the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Sec. 5. **[268B.01] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. **Applicant.** "Applicant" means an individual applying for leave with benefits under this chapter.

Subd. 3. **Applicant's average weekly wage.** "Applicant's average weekly wage" means an amount equal to the applicant's high quarter wage credits divided by 13.

Subd. 4. **Base period.** (a) "Base period," unless otherwise provided in this subdivision, means the most recent four completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits if the application has an effective date occurring after the month following the most recent completed calendar quarter. The base period under this paragraph is as follows:

If the application for family or medical leave benefits is effective on or between these dates:

The base period is the prior:

February 1 to March 31

January 1 to December 31

May 1 to June 30

April 1 to March 31

August 1 to September 30

July 1 to June 30

November 1 to December 31

October 1 to September 30

(b) If an application for family or medical leave benefits has an effective date that is during the month following the most recent completed calendar quarter, then the base period is the first four of the most recent five completed calendar quarters before the effective date of an applicant's application for family or medical leave benefits. The base period under this paragraph is as follows:

If the application for family or medical leave benefits is effective on or between these dates:

The base period is the prior:

January 1 to January 31

October 1 to September 30

April 1 to April 30

January 1 to December 31

July 1 to July 31

April 1 to March 31

October 1 to October 31

July 1 to June 30

(c) Regardless of paragraph (a), a base period of the first four of the most recent five completed calendar quarters must be used if the applicant would have more wage credits under that base period than under a base period of the four most recent completed calendar quarters.

(d) If the applicant has insufficient wage credits to establish a benefit account under a base period of the four most recent completed calendar quarters, or a base period of the first four of the most recent five completed calendar quarters, but during either base period the applicant received workers' compensation for temporary disability under chapter 176 or a similar federal law or similar law of another state, or if the applicant whose own serious illness caused a loss of work for which the applicant received compensation for loss of wages from some other source, the applicant may request a base period as follows:

(1) if an applicant was compensated for a loss of work of seven to 13 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent six completed calendar quarters before the effective date of the application for family or medical leave benefits;

(2) if an applicant was compensated for a loss of work of 14 to 26 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent seven completed calendar quarters before the effective date of the application for family or medical leave benefits;

(3) if an applicant was compensated for a loss of work of 27 to 39 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent eight completed calendar quarters before the effective date of the application for family or medical leave benefits; and

(4) if an applicant was compensated for a loss of work of 40 to 52 weeks during a base period referred to in paragraph (a) or (b), then the base period is the first four of the most recent nine completed calendar quarters before the effective date of the application for family or medical leave benefits.

Subd. 5. **Benefit.** "Benefit" or "benefits" means monetary payments under this chapter associated with qualifying bonding, family care, pregnancy, serious health condition, qualifying exigency, or safety leave events, unless otherwise indicated by context.

Subd. 6. **Benefit account.** "Benefit account" means a benefit account established under section 268B.04.

Subd. 7. **Benefit year.** "Benefit year" means the period of 52 calendar weeks beginning the date a benefit account under section 268B.04 is effective. For a benefit account established effective any January 1, April 1, July 1, or October 1, the benefit year will be a period of 53 calendar weeks.

Subd. 8. **Bonding.** "Bonding" means time spent by an applicant who is a biological, adoptive, or foster parent with a biological, adopted, or foster child in conjunction with the child's birth, adoption, or placement.

Subd. 9. **Calendar day.** "Calendar day" or "day" means a fixed 24-hour period corresponding to a single calendar date.

Subd. 10. **Calendar quarter.** "Calendar quarter" means the period of three consecutive calendar months ending on March 31, June 30, September 30, or December 31.

Subd. 11. **Calendar week.** "Calendar week" has the same meaning as "week" under subdivision 46.

Subd. 12. **Commissioner.** "Commissioner" means the commissioner of employment and economic development, unless otherwise indicated by context.

Subd. 13. **Covered employment.** (a) "Covered employment" means performing services of whatever nature, unlimited by the relationship of master and servant as known to the common law, or any other legal relationship performed for wages or under any contract calling for the performance of services, written or oral, express or implied.

(b) "Employment" includes an individual's entire service performed within or without or both within and without this state, if:

(1) the service is localized in this state; or

(2) the service is not localized in any state, but some of the service is performed in this state and:

(i) the base of operations of the employee is in the state, or if there is no base of operations, then the place from which such service is directed or controlled is in this state; or

(ii) the base of operations or place from which such service is directed or controlled is not in any state in which some part of the service is performed, but the individual's residence is in this state.

(c) "Covered employment" does not include:

(1) a self-employed individual; or

(2) an independent contractor.

Subd. 14. **Department.** "Department" means the Department of Employment and Economic Development, unless otherwise indicated by context.

Subd. 15. **Employee.** (a) "Employee" means an individual who is in the employment of an employer.

(b) Employee does not include employees of the United States of America.

Subd. 16. **Employer.** (a) "Employer" means:

(1) any person, type of organization, or entity, including any partnership, association, trust, estate, joint stock company, insurance company, limited liability company, or corporation, whether domestic or foreign, or the receiver, trustee in bankruptcy, trustee, or the legal representative of a deceased person, having any individual in covered employment;

(2) the state, statewide system, and state agencies; and

(3) any local government entity, including but not limited to a county, city, town, school district, municipal corporation, quasimunicipal corporation, or other political subdivision. An employer also includes charter schools.

(b) Employer does not include:

(1) the United States of America; or

(2) a self-employed individual who has elected and been approved for coverage under section 268B.11 with regard to the self-employed individual's own coverage and benefits.

Subd. 17. **Estimated self-employment income.** "Estimated self-employment income" means a self-employed individual's average net earnings from self-employment in the two most recent taxable years. For a self-employed individual who had net earnings from self-employment in only one of the years, the individual's estimated self-employment income equals the individual's net earnings from self-employment in the year in which the individual had net earnings from self-employment.

Subd. 18. **Family and medical benefit insurance account.** "Family and medical benefit insurance account" means the family and medical benefit insurance account in the special revenue fund in the state treasury under section 268B.02.

Subd. 19. **Family and medical benefit insurance enforcement account.** "Family and medical benefit insurance enforcement account" means the family and medical benefit insurance enforcement account in the state treasury under section 268B.185.

Subd. 20. **Family benefit program.** "Family benefit program" means the program administered under this chapter for the collection of premiums and payment of benefits related to family care, bonding, safety leave, and leave related to a qualifying exigency.

Subd. 21. **Family care.** "Family care" means an applicant caring for a family member with a serious health condition or caring for a family member who is a covered service member.

Subd. 22. **Family member.** (a) "Family member" means an employee's child, adult child, spouse, sibling, parent, parent-in-law, grandchild, grandparent, stepparent, member of the employee's household, or domestic partner.

(b) For the purposes of this chapter, a child includes a stepchild, biological, adopted, or foster child of the employee, or a child for whom the employee is standing in loco parentis.

(c) For the purposes of this chapter, a grandchild includes a step-grandchild, biological, adopted, or foster grandchild of the employee.

(d) For the purposes of this chapter, an individual is a member of the employee's household if the individual has resided at the same address as the employee for at least one year as of the first day of leave under this chapter.

Subd. 23. **Health care provider.** "Health care provider" means:

(1) an individual who is licensed, certified, or otherwise authorized under law to practice in the individual's scope of practice as a physician, osteopath, surgeon, or advanced practice registered nurse; or

(2) any other individual determined by the commissioner by rule, in accordance with the rulemaking procedures in the Administrative Procedure Act, to be capable of providing health care services.

Subd. 24. **High quarter.** "High quarter" means the calendar quarter in an applicant's base period with the highest amount of wage credits.

Subd. 25. **Incapacity.** "Incapacity" means inability to perform regular work, attend school, or perform other regular daily activities due to a serious health condition, treatment therefore, or recovery therefrom.

Subd. 26. **Independent contractor.** (a) If there is an existing specific test or definition for independent contractor in Minnesota statute or rule applicable to an occupation or sector as of the date of enactment of this chapter, that test or definition shall apply to that occupation or sector for purposes of this chapter. If there is not an existing test or definition as described, the definition for independent contractor shall be as provided in this subdivision.

(b) An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if:

(1) the individual maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) the individual:

(i) holds or has applied for a federal employer identification number; or

(ii) has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual has performed services in the previous year;

(3) the individual is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) the individual is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) the individual is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) the individual receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) the individual may realize a profit or suffer a loss under the contract to perform services for the person;

(8) the individual has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(c) For the purposes of this chapter, an insurance producer, as defined in section 60K.31, subdivision 6, is an independent contractor of an insurance company, as defined in section 60A.02, subdivision 4, unless the insurance producer and insurance company agree otherwise.

Subd. 27. **Inpatient care.** "Inpatient care" means an overnight stay in a hospital, hospice, or residential medical care facility, including any period of incapacity, or any subsequent treatment in connection with such inpatient care.

Subd. 28. **Maximum weekly benefit amount.** "Maximum weekly benefit amount" means the state's average weekly wage as calculated under section 268.035, subdivision 23.

Subd. 29. **Medical benefit program.** "Medical benefit program" means the program administered under this chapter for the collection of premiums and payment of benefits related to an applicant's serious health condition or pregnancy.

Subd. 30. **Net earnings from self-employment.** "Net earnings from self-employment" has the meaning given in section 1402 of the Internal Revenue Code, as defined in section 290.01, subdivision 31.

Subd. 31. **Pregnancy.** "Pregnancy" means prenatal care or incapacity due to pregnancy or recovery from childbirth, still birth, miscarriage, or related health conditions.

Subd. 32. **Qualifying exigency.** (a) "Qualifying exigency" means a need arising out of a military member's active duty service or notice of an impending call or order to active duty in the United States armed forces, including providing for the care or other needs of the family member's child or other dependent, making financial or legal arrangements for the family member, attending counseling, attending military events or ceremonies, spending time with the family member during a rest and recuperation leave or following return from deployment, or making arrangements following the death of the military member.

(b) For the purposes of this chapter, a "military member" means a current or former member of the United States armed forces, including a member of the National Guard or reserves, who, except for a deceased military member, is a resident of the state and is a family member of the employee taking leave related to the qualifying exigency.

Subd. 33. **Safety leave.** "Safety leave" means leave from work because of domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the leave is to:

(1) seek medical attention related to the physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(2) obtain services from a victim services organization;

(3) obtain psychological or other counseling;

(4) seek relocation due to the domestic abuse, sexual assault, or stalking; or

(5) seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to, or resulting from, the domestic abuse, sexual assault, or stalking.

Subd. 34. **Self-employed individual.** "Self-employed individual" means a resident of the state who, in one of the two taxable years preceding the current calendar year, derived at least \$10,000 in net earnings from self-employment from an entity other than an S corporation for the performance of services in this state.

Subd. 35. **Self-employment premium base.** "Self-employment premium base" means the lesser of:

(1) a self-employed individual's estimated self-employment income for the calendar year plus the individual's self-employment wages in the calendar year; or

(2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability Insurance tax in the taxable year.

Subd. 36. **Self-employment wages.** "Self-employment wages" means the amount of wages that a self-employed individual earned in the calendar year from an entity from which the individual also received net earnings from self-employment.

Subd. 37. **Serious health condition.** (a) "Serious health condition" means a physical or mental illness, injury, impairment, condition, or substance use disorder that involves:



(1) at-home care or inpatient care in a hospital, hospice, or residential medical care facility, including any period of incapacity; or

(2) continuing treatment or supervision by a health care provider which includes any one or more of the following:

(i) a period of incapacity of more than three consecutive, full calendar days, and any subsequent treatment or period of incapacity relating to the same condition, that also involves:

(A) treatment two or more times by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider; or

(B) treatment by a health care provider on at least one occasion that results in a regimen of continuing treatment under the supervision of the health care provider;

(ii) a period of incapacity due to pregnancy, or for prenatal care;

(iii) a period of incapacity or treatment for a chronic health condition that:

(A) requires periodic visits, defined as at least twice a year, for treatment by a health care provider or under orders of, or on referral by, a health care provider;

(B) continues over an extended period of time, including recurring episodes of a single underlying condition; and

(C) may cause episodic rather than continuing periods of incapacity;

(iv) a period of incapacity which is permanent or long term due to a condition for which treatment may not be effective. The employee or family member must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider; or

(v) a period of absence to receive multiple treatments, including any period of recovery from the treatments, by a health care provider or by a provider of health care services under orders of, or on referral by, a health care provider, for:

(A) restorative surgery after an accident or other injury; or

(B) a condition that would likely result in a period of incapacity of more than three consecutive, full calendar days in the absence of medical intervention or treatment.

(b) For the purposes of paragraph (a), clauses (1) and (2), treatment by a health care provider means an in-person visit or telemedicine visit with a health care provider, or by a provider of health care services under orders of, or on referral by, a health care provider.

(c) For the purposes of paragraph (a), treatment includes but is not limited to examinations to determine if a serious health condition exists and evaluations of the condition.

(d) Absences attributable to incapacity under paragraph (a), clause (2), item (ii) or (iii), qualify for leave under this chapter even if the employee or the family member does not receive treatment from a health care provider during the absence, and even if the absence does not last more than three consecutive, full calendar days.

Subd. 38. **State's average weekly wage.** "State's average weekly wage" means the weekly wage calculated under section 268.035, subdivision 23.

**Subd. 39. Supplemental benefit payment.** (a) "Supplemental benefit payment" means:

(1) a payment made by an employer to an employee as salary continuation or as paid time off. Such a payment must be in addition to any family or medical leave benefits the employee is receiving under this chapter; and

(2) a payment offered by an employer to an employee who is taking leave under this chapter to supplement the family or medical leave benefits the employee is receiving.

(b) Employers may, but are not required to, designate certain benefits including but not limited to salary continuation, vacation leave, sick leave, or other paid time off as a supplemental benefit payment.

(c) Nothing in this chapter requires an employee to receive supplemental benefit payments.

**Subd. 40. Taxable year.** "Taxable year" has the meaning given in section 290.01, subdivision 9.

**Subd. 41. Taxable wages.** "Taxable wages" means those wages paid to an employee in covered employment each calendar year up to an amount equal to the maximum wages subject to premium in a calendar year, which is equal to the maximum earnings in that year subject to the FICA Old-Age, Survivors, and Disability Insurance tax rounded to the nearest \$1,000.

**Subd. 42. Typical workweek hours.** "Typical workweek hours" means:

(1) for an hourly employee, the average number of hours worked per week by an employee within the high quarter during the base year; or

(2) 40 hours for a salaried employee, regardless of the number of hours the salaried employee typically works.

**Subd. 43. Wage credits.** "Wage credits" means the amount of wages paid within an applicant's base period for covered employment, as defined in subdivision 13.

**Subd. 44. Wage detail report.** "Wage detail report" means the report on each employee in covered employment required from an employer on a calendar quarter basis under section 268B.12.

**Subd. 45. Wages.** (a) "Wages" means all compensation for employment, including commissions; bonuses, awards, and prizes; severance payments; standby pay; vacation and holiday pay; back pay as of the date of payment; tips and gratuities paid to an employee by a customer of an employer and accounted for by the employee to the employer; sickness and accident disability payments, except as otherwise provided in this subdivision; and the cash value of housing, utilities, meals, exchanges of services, and any other goods and services provided to compensate an employee, except:

(1) the amount of any payment made to, or on behalf of, an employee under a plan established by an employer that makes provision for employees generally or for a class or classes of employees, including any amount paid by an employer for insurance or annuities, or into a plan, to provide for a payment, on account of (i) retirement, (ii) medical and hospitalization expenses in connection with sickness or accident disability, or (iii) death;

(2) the payment by an employer of the tax imposed upon an employee under United States Code, title 26, section 3101 of the Federal Insurance Contribution Act, with respect to compensation paid to an employee for domestic employment in a private household of the employer or for agricultural employment;

(3) any payment made to, or on behalf of, an employee or beneficiary (i) from or to a trust described in United States Code, title 26, section 401(a) of the federal Internal Revenue Code, that is exempt from tax under section 501(a) at the time of the payment unless the payment is made to an employee of the trust as compensation for services as an employee and not as a beneficiary of the trust, or (ii) under or to an annuity plan that, at the time of the payment, is a plan described in section 403(a);

(4) the value of any special discount or markdown allowed to an employee on goods purchased from or services supplied by the employer where the purchases are optional and do not constitute regular or systematic payment for services;

(5) customary and reasonable directors' fees paid to individuals who are not otherwise employed by the corporation of which they are directors;

(6) the payment to employees for reimbursement of meal expenses when employees are required to perform work after their regular hours;

(7) the payment into a trust or plan for purposes of providing legal or dental services if provided for all employees generally or for a class or classes of employees;

(8) the value of parking facilities provided or paid for by an employer, in whole or in part, if provided for all employees generally or for a class or classes of employees;

(9) royalties to an owner of a franchise, license, copyright, patent, oil, mineral, or other right;

(10) advances or reimbursements for traveling or other ordinary and necessary expenses incurred or reasonably expected to be incurred in the business of the employer. Traveling and other reimbursed expenses must be identified either by making separate payments or by specifically indicating the separate amounts where both wages and expense allowances are combined in a single payment;

(11) residual payments to radio, television, and similar artists that accrue after the production of television commercials, musical jingles, spot announcements, radio transcriptions, film soundtracks, and similar activities;

(12) the income to a former employee resulting from the exercise of a nonqualified stock option;

(13) supplemental unemployment benefit payments under a plan established by an employer, if the payment is not wages under the Federal Unemployment Tax Act. The payments are wages unless made solely for the supplementing of weekly state or federal unemployment benefits. Supplemental unemployment benefit payments may not be assigned, nor may any consideration be required from the applicant, other than a release of claims in order to be excluded from wages;

(14) sickness or accident disability payments made by the employer after the expiration of six calendar months following the last calendar month that the individual worked for the employer;

(15) disability payments made under the provisions of any workers' compensation law;

(16) sickness or accident disability payments made by a third-party payer such as an insurance company; or

(17) payments made into a trust fund, or for the purchase of insurance or an annuity, to provide for sickness or accident disability payments to employees under a plan or system established by the employer that provides for the employer's employees generally or for a class or classes of employees.

(b) Nothing in this subdivision excludes from the term "wages" any payment made under any type of salary reduction agreement, including payments made under a cash or deferred arrangement and cafeteria plan, as defined in United States Code, title 26, sections 401(k) and 125 of the federal Internal Revenue Code, to the extent that the employee has the option to receive the payment in cash.

(c) Wages includes the total payment to the operator and supplier of a vehicle or other equipment where the payment combines compensation for personal services as well as compensation for the cost of operating and hiring the equipment in a single payment. This paragraph does not apply if:

(1) there is a preexisting written agreement providing for allocation of specific amounts; or

(2) at the time of each payment there is a written acknowledgment indicating the separate allocated amounts.

(d) Wages includes payments made for services as a caretaker. Unless there is a contract or other proof to the contrary, compensation is considered as being equally received by a married couple where the employer makes payment to only one spouse, or by all tenants of a household who perform services where two or more individuals share the same dwelling and the employer makes payment to only one individual.

(e) Wages includes payments made for services by a migrant family. Where services are performed by a married couple or a family and an employer makes payment to only one individual, each worker is considered as having received an equal share of the compensation unless there is a contract or other proof to the contrary.

(f) Wages includes advances or draws against future earnings, when paid, unless the payments are designated as a loan or return of capital on the books and records of the employer at the time of payment.

(g) Wages includes payments made by a subchapter "S" corporation, as organized under the Internal Revenue Code, to or on behalf of officers and shareholders that are reasonable compensation for services performed for the corporation.

For a subchapter "S" corporation, wages does not include:

(1) a loan for business purposes to an officer or shareholder evidenced by a promissory note signed by an officer before the payment of the loan proceeds and recorded on the books and records of the corporation as a loan to an officer or shareholder;

(2) a repayment of a loan or payment of interest on a loan made by an officer to the corporation and recorded on the books and records of the corporation as a liability;

(3) a reimbursement of reasonable corporation expenses incurred by an officer and documented by a written expense voucher and recorded on the books and records of the corporation as corporate expenses; and

(4) a reasonable lease or rental payment to an officer who owns property that is leased or rented to the corporation.

Subd. 46. **Wages paid.** (a) "Wages paid" means the amount of wages:

(1) that have been actually paid; or

(2) that have been credited to or set apart so that payment and disposition is under the control of the employee.

(b) Wage payments delayed beyond the regularly scheduled pay date are wages paid on the missed pay date. Back pay is wages paid on the date of actual payment. Any wages earned but not paid with no scheduled date of payment are wages paid on the last day of employment.

(c) Wages paid does not include wages earned but not paid except as provided for in this subdivision.

Subd. 47. **Week.** "Week" means calendar week ending at midnight Saturday.

Subd. 48. **Weekly benefit amount.** "Weekly benefit amount" means the amount of family and medical leave benefits computed under section 268B.04.

**Sec. 6. [268B.02] FAMILY AND MEDICAL BENEFIT INSURANCE PROGRAM CREATION.**

Subdivision 1. **Creation.** A family and medical benefit insurance program is created to be administered by the commissioner according to the terms of this chapter.

Subd. 2. **Creation of division.** A Family and Medical Benefit Insurance Division is created within the department under the authority of the commissioner. The commissioner shall appoint a director of the division. The division shall administer and operate the benefit program under this chapter.

Subd. 3. **Rulemaking.** The commissioner may adopt rules to implement the provisions of this chapter.

Subd. 4. **Account creation; appropriation.** The family and medical benefit insurance account is created in the special revenue fund in the state treasury. Money in this account is appropriated to the commissioner to pay benefits under and to administer this chapter, including outreach required under section 268B.18.

Subd. 5. **Information technology services and equipment.** The department is exempt from the provisions of section 16E.016 for the purposes of this chapter.

**Sec. 7. [268B.03] PAYMENT OF BENEFITS.**

Subdivision 1. **Requirements.** The commissioner must pay benefits from the family and medical benefit insurance account as provided under this chapter to an applicant who has met each of the following requirements:

(1) the applicant has filed an application for benefits and established a benefit account in accordance with section 268B.04;

(2) the applicant has met all of the ongoing eligibility requirements under section 268B.06;

(3) the applicant does not have an outstanding overpayment of family or medical leave benefits, including any penalties or interest;

(4) the applicant has not been held ineligible for benefits under section 268.07, subdivision 2; and

(5) the applicant is not employed exclusively by a private plan employer and has wage credits during the base year attributable to employers covered under the state family and medical leave program.

Subd. 2. **Benefits paid from state funds.** Benefits are paid from state funds and are not considered paid from any special insurance plan, nor as paid by an employer. An application for family or medical leave benefits is not considered a claim against an employer but is considered a request for benefits from the family and medical benefit insurance account. The commissioner has the responsibility for the proper payment of benefits regardless of the

level of interest or participation by an applicant or an employer in any determination or appeal. An applicant's entitlement to benefits must be determined based upon that information available without regard to a burden of proof. Any agreement between an applicant and an employer is not binding on the commissioner in determining an applicant's entitlement. There is no presumption of entitlement or nonentitlement to benefits.

Sec. 8. **[268B.04] BENEFIT ACCOUNT; BENEFITS.**

Subdivision 1. **Application for benefits; determination of benefit account.** (a) An application for benefits may be filed in person, by mail, or by electronic transmission as the commissioner may require. The applicant must include certification supporting a request for leave under this chapter. The applicant must meet eligibility requirements at the time the application is filed and must provide all requested information in the manner required. If the applicant does not meet eligibility at the time of the application or fails to provide all requested information, the communication is not an application for family and medical leave benefits.

(b) The commissioner must examine each application for benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner must determine the weekly benefit amount available, if any, and the maximum amount of benefits available, if any. The determination, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage detail information for the applicant as required under section 268B.12, the commissioner may accept an applicant certification of wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the wage credits listed in the determination were incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission. This paragraph does not apply to documents titled determinations of eligibility or determinations of ineligibility issued.

(e) If an amended determination of benefit account reduces the weekly benefit amount or maximum amount of benefits available, any benefits that have been paid greater than the applicant was entitled is an overpayment of benefits. A determination or amended determination issued under this section that results in an overpayment of benefits must set out the amount of the overpayment and the requirement that the overpaid benefits must be repaid according to section 268B.185.

Subd. 2. **Benefit account requirements.** (a) Unless paragraph (b) applies, to establish a benefit account, an applicant must have wage credits of at least 5.3 percent of the state's average annual wage rounded down to the next lower \$100.

(b) To establish a new benefit account following the expiration of the benefit year on a prior benefit account, an applicant must have performed actual work in subsequent covered employment and have been paid wages in one or more completed calendar quarters that started after the effective date of the prior benefit account. The wages paid for that employment must be at least enough to meet the requirements of paragraph (a). A benefit account under this paragraph must not be established effective earlier than the Sunday following the end of the most recent completed calendar quarter in which the requirements of paragraph (a) were met. An applicant must not establish a second benefit account as a result of one loss of employment.

Subd. 3. **Weekly benefit amount; maximum amount of benefits available; prorated amount.** (a) Subject to the maximum weekly benefit amount, an applicant's weekly benefit is calculated by adding the amounts obtained by applying the following percentage to an applicant's average typical workweek and weekly wage during the high quarter of the base period:

(1) 90 percent of wages that do not exceed 50 percent of the state's average weekly wage; plus

(2) 66 percent of wages that exceed 50 percent of the state's average weekly wage but not 100 percent; plus

(3) 55 percent of wages that exceed 100 percent of the state's average weekly wage.

(b) The state's average weekly wage is the average wage as calculated under section 268.035, subdivision 23, at the time a benefit amount is first determined.

(c) The maximum weekly benefit amount is the state's average weekly wage as calculated under section 268.035, subdivision 23.

(d) The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account established effective on or after the last Sunday in October. Once established, an applicant's weekly benefit amount is not affected by the last Sunday in October change in the state's maximum weekly benefit amount.

(e) For an employee receiving family or medical leave, a weekly benefit amount is prorated when:

(1) the employee works hours for wages; or

(2) the employee uses paid sick leave, paid vacation leave, or other paid time off that is not considered a supplemental benefit payment as defined in section 268B.01, subdivision 37.

**Subd. 4. Timing of payment.** Except as otherwise provided for in this chapter, benefits must be paid weekly.

**Subd. 5. Maximum length of benefits.** (a) Except as provided in paragraph (b), in a single benefit year, an applicant may receive up to 12 weeks of benefits under this chapter related to the applicant's serious health condition or pregnancy and up to 12 weeks of benefits under this chapter for bonding, safety leave, or family care.

(b) An applicant may receive up to 12 weeks of benefits in a single benefit year for leave related to one or more qualifying exigencies.

**Subd. 6. Minimum period for which benefits payable.** Except for a claim for benefits for bonding leave, any claim for benefits must be based on a single qualifying event of at least seven calendar days. Benefits may be paid for a minimum duration of eight consecutive hours in a week. If an employee on leave claims eight hours at any point during a week, the minimum duration is satisfied.

**Subd. 7. Right of appeal.** (a) A determination or amended determination of benefit account is final unless an applicant files an appeal within 20 calendar days after the sending of the determination or amended determination. Every determination or amended determination of benefit account must contain a prominent statement indicating in clear language the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268B.08.

(b) Any applicant may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment, whether the employment is covered employment, and whether money paid constitutes wages.

**Subd. 8. Limitations on applications and benefit accounts.** (a) An application for family or medical leave benefits is effective the Sunday of the calendar week that the application was filed. An application for benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant

requests the backdating within seven calendar days of the date the application is filed. An application may be backdated only if the applicant was eligible for the benefit during the period of the backdating. If an individual attempted to file an application for benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for benefits was effective.

(c) A benefit account, once established, may later be withdrawn if:

(1) the applicant has not been paid any benefits on that benefit account; and

(2) a new application for benefits is filed and a new benefit account is established at the time of the withdrawal.

A benefit account may be withdrawn after the expiration of the benefit year, and the new work requirements of subdivision 2, paragraph (b), do not apply if the applicant was not paid any benefits on the benefit account that is being withdrawn.

A determination or amended determination of eligibility or ineligibility issued under section 268B.07 that was sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account.

#### Sec. 9. **[268B.05] CONTINUED REQUEST FOR BENEFITS.**

A continued request for family or medical leave benefits is a certification by an applicant, done on a weekly basis, that the applicant is unable to perform usual work due to a qualifying event and meets the ongoing eligibility requirements for benefits under section 268B.06. A continued request must include information on possible issues of ineligibility.

#### Sec. 10. **[268B.06] ELIGIBILITY REQUIREMENTS; PAYMENTS THAT AFFECT BENEFITS.**

Subdivision 1. **Eligibility conditions.** (a) An applicant may be eligible to receive family or medical leave benefits for any week if:

(1) the applicant has filed a continued request for benefits for that week under section 268B.05;

(2) the week for which benefits are requested is in the applicant's benefit year;

(3) the applicant was unable to perform regular work due to a serious health condition, a qualifying exigency, safety leave, family care, bonding, pregnancy, or recovery from pregnancy for the period required under subdivision 2;

(4) the applicant has sufficient wage credits from an employer or employers as defined in section 268B.01, subdivision 41, to establish a benefit account under section 268B.04; and

(5) an applicant requesting benefits under this chapter must fulfill certification requirements under subdivision 3.

(b) A self-employed individual or independent contractor who has elected and been approved for coverage under section 268B.11 need not fulfill the requirement of paragraph (a), clause (4).

Subd. 2. **Seven-day qualifying event.** (a) The period for which an applicant is seeking benefits must be or have been based on a single event of at least seven calendar days' duration related to pregnancy, recovery from pregnancy, family care, a qualifying exigency, safety leave, or the applicant's serious health condition. The days need not be consecutive.



(b) Benefits related to bonding need not meet the seven-day qualifying event requirement.

(c) The commissioner must use the rulemaking authority under section 268B.02, subdivision 3, to adopt rules regarding what serious health conditions and other events are prospectively presumed to constitute seven-day qualifying events under this chapter.

Subd. 3. **Certification.** (a) Certification for an applicant taking leave related to the applicant's serious health condition shall be sufficient if the certification states the date on which the serious health condition began, the probable duration of the condition, and the appropriate medical facts within the knowledge of the health care provider as required by the commissioner.

(b) Certification for an applicant taking leave to care for a family member with a serious health condition shall be sufficient if the certification states the date on which the serious health condition commenced, the probable duration of the condition, the appropriate medical facts within the knowledge of the health care provider as required by the commissioner, a statement that the family member requires care, and an estimate of the amount of time that the family member will require care.

(c) Certification for an applicant taking leave related to pregnancy shall be sufficient if the certification states the expected due date and recovery period based on appropriate medical facts within the knowledge of the health care provider.

(d) Certification for an applicant taking bonding leave because of the birth of the applicant's child shall be sufficient if the certification includes either the child's birth certificate or a document issued by the health care provider of the child or the health care provider of the person who gave birth, stating the child's birth date.

(e) Certification for an applicant taking bonding leave because of the placement of a child with the applicant for adoption or foster care shall be sufficient if the applicant provides a document issued by the health care provider of the child, an adoption or foster care agency involved in the placement, or by other individuals as determined by the commissioner that confirms the placement and the date of placement. To the extent that the status of an applicant as an adoptive or foster parent changes while an application for benefits is pending, or while the covered individual is receiving benefits, the applicant must notify the department of such change in status in writing.

(f) Certification for an applicant taking leave because of a qualifying exigency shall be sufficient if the certification includes:

(1) a copy of the family member's active-duty orders;

(2) other documentation issued by the United States armed forces; or

(3) other documentation permitted by the commissioner.

(g) Certification for an applicant taking safety leave is sufficient if the certification includes a court record or documentation signed by a volunteer or employee of a victim's services organization, an attorney, a police officer, or an antiviolence counselor. The commissioner must not require disclosure of details relating to an applicant's or applicant's family member's domestic abuse, sexual assault, or stalking.

(h) Certifications under paragraphs (a) to (e) must be reviewed and signed by a health care provider with knowledge of the qualifying event associated with the leave.

(i) For a leave taken on an intermittent or reduced-schedule basis, based on a serious health condition of an applicant or applicant's family member, the certification under this subdivision must include an explanation of how such leave would be medically beneficial to the individual with the serious health condition.

Subd. 4. **Not eligible.** An applicant is ineligible for family or medical leave benefits for any portion of a typical workweek:

(1) that occurs before the effective date of a benefit account;

(2) that the applicant has an outstanding misrepresentation overpayment balance under section 268B.185, subdivision 5, including any penalties and interest;

(3) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268B.07, subdivision 2; or

(4) for which the applicant worked for pay.

Subd. 5. **Vacation, sick leave, and supplemental benefit payments.** (a) An applicant is not eligible to receive benefits for any portion of a typical workweek the applicant is receiving, has received, or will receive vacation pay, sick pay, or personal time off pay, also known as "PTO."

(b) Paragraph (a) does not apply:

(1) upon a permanent separation from employment;

(2) to payments from a vacation fund administered by a union or a third party not under the control of the employer; or

(3) to supplemental benefit payments, as defined in section 268B.01, subdivision 37.

(c) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this subdivision.

Subd. 6. **Workers' compensation and disability insurance offset.** (a) An applicant is not eligible to receive benefits for any portion of a week in which the applicant is receiving or has received compensation for loss of wages equal to or in excess of the applicant's weekly family or medical leave benefit amount under:

(1) the workers' compensation law of this state;

(2) the workers' compensation law of any other state or similar federal law; or

(3) any insurance or trust fund paid in whole or in part by an employer.

(b) This subdivision does not apply to an applicant who has a claim pending for loss of wages under paragraph (a). If the applicant later receives compensation as a result of the pending claim, the applicant is subject to paragraph (a) and the family or medical leave benefits paid are overpaid benefits under section 268B.185.

(c) If the amount of compensation described under paragraph (a) for any week is less than the applicant's weekly family or medical leave benefit amount, benefits requested for that week are reduced by the amount of that compensation payment.

Subd. 7. **Separation, severance, or bonus payments.** (a) An applicant is not eligible to receive benefits for any week the applicant is receiving, has received, or will receive separation pay, severance pay, bonus pay, or any other payments paid by an employer because of, upon, or after separation from employment. This subdivision applies if the payment is:

(1) considered wages under section 268B.01, subdivision 43; or

(2) subject to the Federal Insurance Contributions Act (FICA) tax imposed to fund Social Security and Medicare.

(b) Payments under this subdivision are applied to the period immediately following the later of the date of separation from employment or the date the applicant first becomes aware that the employer will be making a payment. The date the payment is actually made or received, or that an applicant must agree to a release of claims, does not affect the application of this paragraph.

(c) This subdivision does not apply to vacation pay, sick pay, personal time off pay, or supplemental benefit payment under subdivision 4.

(d) This subdivision applies to all the weeks of payment.

(e) Under this subdivision, if the payment with respect to a week is equal to or more than the applicant's weekly benefit amount, the applicant is ineligible for benefits for that week. If the payment with respect to a week is less than the applicant's weekly benefit amount, benefits are reduced by the amount of the payment.

**Subd. 8. Social Security disability benefits.** (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for benefits for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is available for suitable employment.

(b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits.

(c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

Sec. 11. **[268B.07] DETERMINATION ON ISSUES OF ELIGIBILITY.**

**Subdivision 1. Employer notification.** (a) Upon a determination that an applicant is entitled to benefits, the commissioner must promptly send a notification to each current employer of the applicant, if any, in accordance with paragraph (b).

(b) The notification under paragraph (a) must include, at a minimum:

(1) the name of the applicant;

(2) that the applicant has applied for and received benefits;

(3) the week the benefits commence;

(4) the weekly benefit amount payable; and

(5) the maximum duration of benefits.

Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant and send to the applicant and any current base period employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate, within two weeks.

(b) If an applicant obtained benefits through misrepresentation, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(c) If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(d) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant within 20 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268B.08.

(e) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of benefits under this chapter.

Subd. 3. **Amended determination.** Unless an appeal has been filed, the commissioner, on the commissioner's own motion, may reconsider a determination of eligibility or determination of ineligibility that has not become final and issue an amended determination. Any amended determination must be sent to the applicant and any employer in the current base period by mail or electronic transmission. Any amended determination is final unless an appeal is filed by the applicant within 20 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268B.08.

Subd. 4. **Benefit payment.** If a determination or amended determination allows benefits to an applicant, the family or medical leave benefits must be paid regardless of any appeal period or any appeal having been filed.

Subd. 5. **Overpayment.** A determination or amended determination that holds an applicant ineligible for benefits for periods an applicant has been paid benefits is an overpayment of those family or medical leave benefits. A determination or amended determination issued under this section that results in an overpayment of benefits must set out the amount of the overpayment and the requirement that the overpaid benefits must be repaid according to section 268B.185.

Sec. 12. **[268B.08] APPEAL PROCESS.**

Subdivision 1. **Hearing.** (a) The commissioner shall designate a chief benefit judge.

(b) Upon a timely appeal to a determination having been filed or upon a referral for direct hearing, the chief benefit judge must set a time and date for a de novo due-process hearing and send notice to an applicant and an employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(c) The commissioner may adopt rules on procedures for hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure.

(d) The chief benefit judge has discretion regarding the method by which the hearing is conducted.

Subd. 2. **Decision.** (a) After the conclusion of the hearing, upon the evidence obtained, the benefit judge must serve by mail or electronic transmission to all parties the decision, reasons for the decision, and written findings of fact.

(b) Decisions of a benefit judge are not precedential.

Subd. 3. **Request for reconsideration.** Any party, or the commissioner, may, within 30 calendar days after service of the benefit judge's decision, file a request for reconsideration asking the judge to reconsider that decision.

Subd. 4. **Appeal to court of appeals.** Any final determination on a request for reconsideration may be appealed by any party directly to the Minnesota Court of Appeals.

Subd. 5. **Benefit judges.** (a) Only employees of the department who are attorneys licensed to practice law in Minnesota may serve as a chief benefit judge, senior benefit judges who are supervisors, or benefit judges.

(b) The chief benefit judge must assign a benefit judge to conduct a hearing and may transfer to another benefit judge any proceedings pending before another benefit judge.

Sec. 13. **[268B.085] LEAVE.**

Subdivision 1. **Right to leave.** Ninety calendar days from the date of hire, an employee has a right to leave from employment for any day, or portion of a day, for which the employee would be eligible for benefits under this chapter, regardless of whether the employee actually applied for benefits and regardless of whether the employee is covered under a private plan or the public program under this chapter.

Subd. 2. **Notice to employer.** (a) If the need for leave is foreseeable, an employee must provide the employer at least 30 days' advance notice before leave under this chapter is to begin. If 30 days' notice is not practicable because of a lack of knowledge of approximately when leave will be required to begin, a change in circumstances, or a medical emergency, notice must be given as soon as practicable. Whether leave is to be continuous or is to be taken intermittently or on a reduced-schedule basis, notice need only be given one time, but the employee must advise the employer as soon as practicable if dates of scheduled leave change or are extended, or were initially unknown. In those cases where the employee is required to provide at least 30 days' notice of foreseeable leave and does not do so, the employee must explain the reasons why notice was not practicable upon request from the employer.

(b) "As soon as practicable" means as soon as both possible and practical, taking into account all of the facts and circumstances in the individual case. When an employee becomes aware of a need for leave under this chapter less than 30 days in advance, it should be practicable for the employee to provide notice of the need for leave either the same day or the next day, unless the need for leave is based on a medical emergency. In all cases, however, the determination of when an employee could practicably provide notice must take into account the individual facts and circumstances.

(c) An employee shall provide at least verbal notice sufficient to make the employer aware that the employee needs leave allowed under this chapter and the anticipated timing and duration of the leave. An employer may require an employee giving notice of leave to include a certification for the leave as described in section 268B.06, subdivision 3. Such certification, if required by an employer, is timely when the employee delivers it as soon as practicable given the circumstances requiring the need for leave, and the required contents of the certification.

(d) An employer may require an employee to comply with the employer's usual and customary notice and procedural requirements for requesting leave, absent unusual circumstances or other circumstances caused by the reason for the employee's need for leave. Leave under this chapter must not be delayed or denied where an employer's usual and customary notice or procedural requirements require notice to be given sooner than set forth in this subdivision.

(e) If an employer has failed to provide notice to the employee as required under section 268B.26, paragraph (a), (b), or (c), the employee is not required to comply with the notice requirements of this subdivision.

Subd. 3. **Bonding leave.** Bonding leave taken under this chapter begins at a time requested by the employee. Bonding leave must begin within 12 months of the birth, adoption, or placement of a foster child, except that, in the case where the child must remain in the hospital longer than the mother, the leave must begin within 12 months after the child leaves the hospital.

Subd. 4. **Intermittent or reduced-leave schedule.** (a) Leave under this chapter, based on a serious health condition, may be taken intermittently or on a reduced-leave schedule if such leave would be medically beneficial to the individual with the serious health condition. For all other leaves under this chapter, leave may be taken intermittently or on a reduced-leave schedule. Intermittent leave is leave taken in separate blocks of time due to a single, seven-day qualifying event. A reduced-leave schedule is a leave schedule that reduces an employee's usual number of working hours per workweek or hours per workday.

(b) Leave taken intermittently or on a reduced-schedule basis counts toward the maximums described in section 268B.04, subdivision 5.

Sec. 14. **[268B.09] EMPLOYMENT PROTECTIONS.**

Subdivision 1. **Retaliation prohibited.** An employer must not retaliate against an employee for requesting or obtaining benefits, or for exercising any other right under this chapter.

Subd. 2. **Interference prohibited.** An employer must not obstruct or impede an application for leave or benefits or the exercise of any other right under this chapter.

Subd. 3. **Waiver of rights void.** Any agreement to waive, release, or commute rights to benefits or any other right under this chapter is void.

Subd. 4. **No assignment of benefits.** Any assignment, pledge, or encumbrance of benefits is void. Benefits are exempt from levy, execution, attachment, or any other remedy provided for the collection of debt. Any waiver of this subdivision is void.

Subd. 5. **Continued insurance.** During any leave for which an employee is entitled to benefits under this chapter, the employer must maintain coverage under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents as if the employee was not on leave, provided, however, that the employee must continue to pay any employee share of the cost of such benefits.

Subd. 6. **Employee right to reinstatement.** (a) On return from leave under this chapter, an employee is entitled to be returned to the same position the employee held when leave commenced or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. An employee is entitled to reinstatement even if the employee has been replaced or the employee's position has been restructured to accommodate the employee's absence.

(b)(1) An equivalent position is one that is virtually identical to the employee's former position in terms of pay, benefits, and working conditions, including privileges, prerequisites, and status. It must involve the same or substantially similar duties and responsibilities, which must entail substantially equivalent skill, effort, responsibility, and authority.

(2) If an employee is no longer qualified for the position because of the employee's inability to attend a necessary course, renew a license, fly a minimum number of hours, or similar condition, as a result of the leave, the employee must be given a reasonable opportunity to fulfill those conditions upon return from leave.

(c)(1) An employee is entitled to any unconditional pay increases which may have occurred during the leave period, such as cost of living increases. Pay increases conditioned upon seniority, length of service, or work performed must be granted in accordance with the employer's policy or practice with respect to other employees on an equivalent leave status for a reason that does not qualify for leave under this chapter. An employee is entitled to be restored to a position with the same or equivalent pay premiums, such as a shift differential. If an employee departed from a position averaging ten hours of overtime, and corresponding overtime pay, each week an employee is ordinarily entitled to such a position on return from leave under this chapter.

(2) Equivalent pay includes any bonus or payment, whether it is discretionary or nondiscretionary, made to employees consistent with clause (1). If a bonus or other payment is based on the achievement of a specified goal such as hours worked, products sold, or perfect attendance, and the employee has not met the goal due to leave under this chapter, the payment may be denied, unless otherwise paid to employees on an equivalent leave status for a reason that does not qualify for leave under this chapter.

(d) Benefits under this section include all benefits provided or made available to employees by an employer, including group life insurance, health insurance, disability insurance, sick leave, annual leave, educational benefits, and pensions, regardless of whether benefits are provided by a practice or written policy of an employer through an employee benefit plan as defined in section 3(3) of United States Code, title 29, section 1002(3).

(1) At the end of an employee's leave under this chapter, benefits must be resumed in the same manner and at the same levels as provided when the leave began, and subject to any changes in benefit levels that may have taken place during the period of leave affecting the entire workforce, unless otherwise elected by the employee. Upon return from a leave under this chapter, an employee must not be required to requalify for any benefits the employee enjoyed before leave began, including family or dependent coverages.

(2) An employee may, but is not entitled to, accrue any additional benefits or seniority during a leave under this chapter. Benefits accrued at the time leave began must be available to an employee upon return from leave.

(3) With respect to pension and other retirement plans, leave under this chapter must not be treated as or counted toward a break in service for purposes of vesting and eligibility to participate. If the plan requires an employee to be employed on a specific date in order to be credited with a year of service for vesting, contributions, or participation purposes, an employee on leave under this chapter must be treated as employed on that date. Periods of leave under this chapter need not be treated as credited service for purposes of benefit accrual, vesting, and eligibility to participate.

(4) Employees on leave under this chapter must be treated as if they continued to work for purposes of changes to benefit plans. Employees on leave under this chapter are entitled to changes in benefit plans, except those which may be dependent upon seniority or accrual during the leave period, immediately upon return from leave or to the same extent they would have qualified if no leave had been taken.

(e) An equivalent position must have substantially similar duties, conditions, responsibilities, privileges, and status as the employee's original position.

(1) The employee must be reinstated to the same or a geographically proximate worksite from where the employee had previously been employed. If the employee's original worksite has been closed, the employee is entitled to the same rights as if the employee had not been on leave when the worksite closed.

(2) The employee is ordinarily entitled to return to the same shift or the same or an equivalent work schedule.

(3) The employee must have the same or an equivalent opportunity for bonuses, profit-sharing, and other similar discretionary and nondiscretionary payments.

(4) This chapter does not prohibit an employer from accommodating an employee's request to be restored to a different shift, schedule, or position which better suits the employee's personal needs on return from leave, or to offer a promotion to a better position. However, an employee must not be induced by the employer to accept a different position against the employee's wishes.

(f) The requirement that an employee be restored to the same or equivalent job with the same or equivalent pay, benefits, and terms and conditions of employment does not extend to de minimis, intangible, or unmeasurable aspects of the job.

**Subd. 7. Limitations on an employee's right to reinstatement.** An employee has no greater right to reinstatement or to other benefits and conditions of employment than if the employee had been continuously employed during the period of leave under this chapter. An employer must be able to show that an employee would not otherwise have been employed at the time reinstatement is requested in order to deny restoration to employment.

(1) If an employee is laid off during the course of taking a leave under this chapter and employment is terminated, the employer's responsibility to continue the leave, maintain group health plan benefits, and restore the employee cease at the time the employee is laid off, provided the employer has no continuing obligations under a collective bargaining agreement or otherwise. An employer would have the burden of proving that an employee would have been laid off during the period of leave under this chapter and, therefore, would not be entitled to restoration. Restoration to a job slated for layoff when the employee's original position would not meet the requirements of an equivalent position.

(2) If a shift has been eliminated or overtime has been decreased, an employee would not be entitled to return to work that shift or the original overtime hours upon restoration. However, if a position on, for example, a night shift has been filled by another employee, the employee is entitled to return to the same shift on which employed before taking leave under this chapter.

(3) If an employee was hired for a specific term or only to perform work on a discrete project, the employer has no obligation to restore the employee if the employment term or project is over and the employer would not otherwise have continued to employ the employee.

**Subd. 8. Remedies.** (a) In addition to any other remedies available to an employee in law or equity, an employer who violates the provisions of this section is liable to any employee affected for:

(1) damages equal to the amount of:

(i) any wages, salary, employment benefits, or other compensation denied or lost to such employee by reason of the violation, or, in cases in which wages, salary, employment benefits, or other compensation have not been denied or lost to the employee, any actual monetary losses sustained by the employee as a direct result of the violation; and

(ii) reasonable interest on the amount described in item (i); and

(2) such equitable relief as may be appropriate, including employment, reinstatement, and promotion.

(b) An action to recover damages or equitable relief prescribed in paragraph (a) may be maintained against any employer in any federal or state court of competent jurisdiction by any one or more employees for and on behalf of:

(1) the employees; or

(2) the employees and other employees similarly situated.



(c) The court in an action under this section must, in addition to any judgment awarded to the plaintiff or plaintiffs, allow reasonable attorney fees, reasonable expert witness fees, and other costs of the action to be paid by the defendant.

(d) Nothing in this section shall be construed to allow an employee to recover damages from an employer for the denial of benefits under this chapter by the department, unless the employer unlawfully interfered with the application for benefits under subdivision 2.

Sec. 15. **[268B.10] SUBSTITUTION OF A PRIVATE PLAN.**

Subdivision 1. **Application for substitution.** Employers may apply to the commissioner for approval to meet their obligations under this chapter through the substitution of a private plan that provides paid family, paid medical, or paid family and medical benefits. In order to be approved as meeting an employer's obligations under this chapter, a private plan must confer all of the same rights, protections, and benefits provided to employees under this chapter, including but not limited to benefits under section 268B.04 and employment protections under section 268B.09. An employee covered by a private plan under this section retains all applicable rights and remedies under section 268B.09.

Subd. 2. **Private plan requirements; medical benefit program.** (a) The commissioner must approve an application for private provision of the medical benefit program if the commissioner determines:

(1) all of the employees of the employer are to be covered under the provisions of the employer plan;

(2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter, taking into consideration any coverage with respect to concurrent employment by another employer;

(4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;

(5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;

(6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

(7) the private plan will provide benefits and leave for any serious health condition or pregnancy for which benefits are payable, and leave provided, under this chapter;

(8) the private plan will impose no additional condition or restriction on the use of medical benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;

(9) the private plan will allow any employee covered under the private plan who is eligible to receive medical benefits under this chapter to receive medical benefits under the employer plan; and

(10) coverage will continue under the private plan while an employee remains employed by the employer.

(b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave and benefit eligibility if the total dollar value of wage replacement benefits under the private plan for an employee for any particular qualifying event meets or exceeds what the total dollar value would be under the public family and medical benefit program.

**Subd. 3. Private plan requirements; family benefit program.** (a) The commissioner must approve an application for private provision of the family benefit program if the commissioner determines:

(1) all of the employees of the employer are to be covered under the provisions of the employer plan;

(2) eligibility requirements for benefits and leave are no more restrictive than as provided under this chapter;

(3) the weekly benefits payable under the private plan for any week are at least equal to the weekly benefit amount payable under this chapter, taking into consideration any coverage with respect to concurrent employment by another employer;

(4) the total number of weeks for which benefits are payable under the private plan is at least equal to the total number of weeks for which benefits would have been payable under this chapter;

(5) no greater amount is required to be paid by employees toward the cost of benefits under the employer plan than by this chapter;

(6) wage replacement benefits are stated in the plan separately and distinctly from other benefits;

(7) the private plan will provide benefits and leave for any care for a family member with a serious health condition, bonding with a child, qualifying exigency, or safety leave event for which benefits are payable, and leave provided, under this chapter;

(8) the private plan will impose no additional condition or restriction on the use of family benefits beyond those explicitly authorized by this chapter or regulations promulgated pursuant to this chapter;

(9) the private plan will allow any employee covered under the private plan who is eligible to receive medical benefits under this chapter to receive medical benefits under the employer plan; and

(10) coverage will continue under the private plan while an employee remains employed by the employer.

(b) Notwithstanding paragraph (a), a private plan may provide shorter durations of leave and benefit eligibility if the total dollar value of wage replacement benefits under the private plan for an employee for any particular qualifying event meets or exceeds what the total dollar value would be under the public family and medical benefit program.

**Subd. 4. Use of private insurance products.** Nothing in this section prohibits an employer from meeting the requirements of a private plan through a private insurance product. If the employer plan involves a private insurance product, that insurance product must conform to any applicable law or rule.

**Subd. 5. Private plan approval and oversight fee.** An employer with an approved private plan is not required to pay premiums established under section 268B.14. An employer with an approved private plan is responsible for a private plan approval and oversight fee equal to \$250 for employers with fewer than 50 employees, \$500 for employers with 50 to 499 employees, and \$1,000 for employers with 500 or more employees. The employer must pay this fee (1) upon initial application for private plan approval, and (2) any time the employer applies to amend the private plan. The commissioner must review and report on the adequacy of this fee to cover private plan administrative costs annually beginning October 1, 2022, as part of the annual report established in section 268B.21.

**Subd. 6. Plan duration.** A private plan under this section must be in effect for a period of at least one year and, thereafter, continuously unless the commissioner finds that the employer has given notice of withdrawal from the plan in a manner specified by the commissioner in this section or rule. The plan may be withdrawn by the employer

within 30 days of the effective date of any law increasing the benefit amounts or within 30 days of the date of any change in the rate of premiums. If the plan is not withdrawn, it must be amended to conform to provide the increased benefit amount or change in the rate of the employee's premium on the date of the increase or change.

Subd. 7. **Appeals.** An employer may appeal any adverse action regarding that employer's private plan to the commissioner, in a manner specified by the commissioner.

Subd. 8. **Employees no longer covered.** (a) An employee is no longer covered by an approved private plan if a leave under this chapter occurs after the employment relationship with the private plan employer ends, or if the commissioner revokes the approval of the private plan.

(b) An employee no longer covered by an approved private plan is, if otherwise eligible, immediately entitled to benefits under this chapter to the same extent as though there had been no approval of the private plan.

Subd. 9. **Posting of notice regarding private plan.** An employer with a private plan must provide a notice prepared by or approved by the commissioner regarding the private plan consistent with section 268B.26.

Subd. 10. **Amendment.** (a) The commissioner must approve any amendment to a private plan adjusting the provisions thereof, if the commissioner determines:

(1) that the plan, as amended, will conform to the standards set forth in this chapter; and

(2) that notice of the amendment has been delivered to all affected employees at least ten days before the submission of the amendment.

(b) Any amendments approved under this subdivision are effective on the date of the commissioner's approval, unless the commissioner and the employer agree on a later date.

Subd. 11. **Successor employer.** A private plan in effect at the time a successor acquires the employer organization, trade, or business, or substantially all the assets thereof, or a distinct and severable portion of the organization, trade, or business, and continues its operation without substantial reduction of personnel resulting from the acquisition, must continue the approved private plan and must not withdraw the plan without a specific request for withdrawal in a manner and at a time specified by the commissioner. A successor may terminate a private plan with notice to the commissioner and within 90 days from the date of the acquisition.

Subd. 12. **Revocation of approval by commissioner.** (a) The commissioner may terminate any private plan if the commissioner determines the employer:

(1) failed to pay benefits;

(2) failed to pay benefits in a timely manner, consistent with the requirements of this chapter;

(3) failed to submit reports as required by this chapter or rule adopted under this chapter; or

(4) otherwise failed to comply with this chapter or rule adopted under this chapter.

(b) The commissioner must give notice of the intention to terminate a plan to the employer at least ten days before taking any final action. The notice must state the effective date and the reason for the termination.

(c) The employer may, within ten days from mailing or personal service of the notice, file an appeal to the commissioner in the time, manner, method, and procedure provided by the commissioner under subdivision 7.

(d) The payment of benefits must not be delayed during an employer's appeal of the revocation of approval of a private plan.

(e) If the commissioner revokes approval of an employer's private plan, that employer is ineligible to apply for approval of another private plan for a period of three years, beginning on the date of revocation.

Subd. 13. **Employer penalties.** (a) The commissioner may assess the following monetary penalties against an employer with an approved private plan found to have violated this chapter:

(1) \$1,000 for the first violation; and

(2) \$2,000 for the second, and each successive violation.

(b) The commissioner must waive collection of any penalty if the employer corrects the violation within 30 days of receiving a notice of the violation and the notice is for a first violation.

(c) The commissioner may waive collection of any penalty if the commissioner determines the violation to be an inadvertent error by the employer.

(d) Monetary penalties collected under this section shall be deposited in the family and medical benefit insurance account.

(e) Assessment of penalties under this subdivision may be appealed as provided by the commissioner under subdivision 7.

Subd. 14. **Reports, information, and records.** Employers with an approved private plan must maintain all reports, information, and records as relating to the private plan and claims for a period of six years from creation and provide to the commissioner upon request.

Subd. 15. **Audit and investigation.** The commissioner may investigate and audit plans approved under this section both before and after the plans are approved.

Sec. 16. **[268B.11] SELF-EMPLOYED AND INDEPENDENT CONTRACTOR ELECTION OF COVERAGE.**

Subdivision 1. **Election of coverage.** (a) A self-employed individual or independent contractor may file with the commissioner by electronic transmission in a format prescribed by the commissioner an application to be entitled to benefits under this chapter for a period not less than 104 consecutive calendar weeks. Upon the approval of the commissioner, sent by United States mail or electronic transmission, the individual is entitled to benefits under this chapter beginning the calendar quarter after the date of approval or beginning in a later calendar quarter if requested by the self-employed individual or independent contractor. The individual ceases to be entitled to benefits as of the first day of January of any calendar year only if, at least 30 calendar days before the first day of January, the individual has filed with the commissioner by electronic transmission in a format prescribed by the commissioner a notice to that effect.

(b) The commissioner may terminate any application approved under this section with 30 calendar days' notice sent by United States mail or electronic transmission if the self-employed individual is delinquent on any premiums due under this chapter. If an approved application is terminated in this manner during the first 104 consecutive calendar weeks of election, the self-employed individual remains obligated to pay the premium under subdivision 3 for the remainder of that 104-week period.

Subd. 2. **Application.** A self-employed individual who applies for coverage under this section must provide the commissioner with (1) the amount of the individual's net earnings from self-employment, if any, from the two most recent taxable years and all tax documents necessary to prove the accuracy of the amounts reported, and (2) any other documentation the commissioner requires. A self-employed individual who is covered under this chapter must annually provide the commissioner with the amount of the individual's net earnings from self-employment within 30 days of filing a federal income tax return.

Subd. 3. **Premium.** A self-employed individual who elects to receive coverage under this chapter must annually pay a premium equal to one-half the percentage in section 268B.14, subdivision 5, clause (1), times the lesser of:

- (1) the individual's self-employment premium base; or
- (2) the maximum earnings subject to the FICA Old-Age, Survivors, and Disability Insurance tax.

Subd. 4. **Benefits.** Notwithstanding anything to the contrary, a self-employed individual who has applied to and been approved for coverage by the commissioner under this section is entitled to benefits on the same basis as an employee under this chapter, except that a self-employed individual's weekly benefit amount under section 268B.04, subdivision 1, must be calculated as a percentage of the self-employed individual's self-employment premium base, rather than wages.

Sec. 17. **[268B.12] WAGE REPORTING.**

Subdivision 1. **Wage detail report.** (a) Each employer must submit, under the employer premium account described in section 268B.13, a quarterly wage detail report by electronic transmission, in a format prescribed by the commissioner. The report must include for each employee in covered employment during the calendar quarter, the employee's name, Social Security number, the total wages paid to the employee, and total number of paid hours worked. For employees exempt from the definition of employee in section 177.23, subdivision 7, clause (6), the employer must report 40 hours worked for each week any duties were performed by a full-time employee and must report a reasonable estimate of the hours worked for each week duties were performed by a part-time employee. In addition, the wage detail report must include the number of employees employed during the payroll period that includes the 12th day of each calendar month and, if required by the commissioner, the report must be broken down by business location and separate business unit. The report is due and must be received by the commissioner on or before the last day of the month following the end of the calendar quarter. The commissioner may delay the due date on a specific calendar quarter in the event the department is unable to accept wage detail reports electronically.

(b) The employer may report the wages paid to the next lower whole dollar amount.

(c) An employer need not include the name of the employee or other required information on the wage detail report if disclosure is specifically exempted from being reported by federal law.

(d) A wage detail report must be submitted for each calendar quarter even though no wages were paid, unless the business has been terminated.

Subd. 2. **Electronic transmission of report required.** Each employer must submit the quarterly wage detail report by electronic transmission in a format prescribed by the commissioner. The commissioner has the discretion to accept wage detail reports that are submitted by any other means or the commissioner may return the report submitted by other than electronic transmission to the employer, and reports returned are considered as not submitted and the late fees under subdivision 3 may be imposed.

**Subd. 3. Failure to timely file report; late fees.** (a) Any employer that fails to submit the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed based upon the highest of:

(1) the number of employees reported on the last wage detail report submitted;

(2) the number of employees reported in the corresponding quarter of the prior calendar year; or

(3) if no wage detail report has ever been submitted, the number of employees listed at the time of employer registration.

The late fee is canceled if the wage detail report is received within 30 calendar days after a demand for the report is sent to the employer by mail or electronic transmission. A late fee assessed an employer may not be canceled more than twice each 12 months. The amount of the late fee assessed may not be less than \$250.

(b) If the wage detail report is not received in a manner and format prescribed by the commissioner within 30 calendar days after demand is sent under paragraph (a), the late fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the increased late fee will be sent to the employer by mail or electronic transmission.

(c) Late fees due under this subdivision may be canceled, in whole or in part, under section 268B.16.

**Subd. 4. Missing or erroneous information.** (a) Any employer that submits the wage detail report, but fails to include all required employee information or enters erroneous information, is subject to an administrative service fee of \$25 for each employee for whom the information is partially missing or erroneous.

(b) Any employer that submits the wage detail report, but fails to include an employee, is subject to an administrative service fee equal to two percent of the total wages for each employee for whom the information is completely missing.

**Subd. 5. Fees.** The fees provided for in subdivisions 3 and 4 are in addition to interest and other penalties imposed by this chapter and are collected in the same manner as delinquent taxes and credited to the family and medical benefit insurance account.

#### Sec. 18. **[268B.13] EMPLOYER PREMIUM ACCOUNTS.**

The commissioner must maintain a premium account for each employer. The commissioner must assess the premium account for all the premiums due under section 268B.14, and credit the family and medical benefit insurance account with all premiums paid.

#### Sec. 19. **[268B.14] PREMIUMS.**

**Subdivision 1. Payments.** (a) Family and medical leave premiums accrue and become payable by each employer for each calendar year on the taxable wages that the employer paid to employees in covered employment.

Each employer must pay premiums quarterly, at the premium rate defined under this section, on the taxable wages paid to each employee. The commissioner must compute the premium due from the wage detail report required under section 268B.12 and notify the employer of the premium due. The premiums must be paid to the family and medical benefit insurance account and must be received by the department on or before the last day of the month following the end of the calendar quarter.

(b) If for any reason the wages on the wage detail report under section 268B.12 are adjusted for any quarter, the commissioner must recompute the premiums due for that quarter and assess the employer for any amount due or credit the employer as appropriate.

Subd. 2. **Payments by electronic payment required.** (a) Every employer must make any payments due under this chapter by electronic payment.

(b) All third-party processors, paying on behalf of a client company, must make any payments due under this chapter by electronic payment.

(c) Regardless of paragraph (a) or (b), the commissioner has the discretion to accept payment by other means.

Subd. 3. **Employee charge back.** Notwithstanding section 177.24, subdivision 4, or 181.06, subdivision 1, employers and covered business entities may deduct up to 50 percent of annual premiums paid under this section from employee wages. Such deductions for any given employee must be in equal proportion to the premiums paid based on the wages of that employee, and all employees of an employer must be subject to the same percentage deduction. Deductions under this section must not cause an employee's wage, after the deduction, to fall below the rate required to be paid to the worker by law, including any applicable statute, regulation, rule, ordinance, government resolution or policy, contract, or other legal authority, whichever rate of pay is greater.

Subd. 4. **Wages and payments subject to premium.** The maximum wages subject to premium in a calendar year is equal to the maximum earnings in that year subject to the FICA Old-Age, Survivors, and Disability Insurance tax.

Subd. 5. **Annual premium rates.** The employer premium rates for the calendar year beginning January 1, 2023, shall be as follows:

(1) for employers participating in both family and medical benefit programs, 0.6 percent;

(2) for an employer participating in only the medical benefit program and with an approved private plan for the family benefit program, 0.486 percent; and

(3) for an employer participating in only the family benefit program and with an approved private plan for the medical benefit program, 0.114 percent.

Subd. 6. **Premium rate adjustments.** (a) Beginning January 1, 2026, and each calendar year thereafter, the commissioner must adjust the annual premium rates using the formula in paragraph (b).

(b) To calculate the employer rates for a calendar year, the commissioner must:

(1) multiply 1.45 times the amount disbursed from the family and medical benefit insurance account for the 52-week period ending September 30 of the prior year;

(2) subtract the amount in the family and medical benefit insurance account on that September 30 from the resulting figure;

(3) divide the resulting figure by twice the total wages in covered employment of employees of employers without approved private plans under section 268B.10 for either the family or medical benefit program. For employers with an approved private plan for either the medical benefit program or the family benefit program, but not both, count only the proportion of wages in covered employment associated with the program for which the employer does not have an approved private plan; and

(4) round the resulting figure down to the nearest one-hundredth of one percent.

(c) The commissioner must apportion the premium rate between the family and medical benefit programs based on the relative proportion of expenditures for each program during the preceding year.

Subd. 7. **Deposit of premiums.** All premiums collected under this section must be deposited into the family and medical benefit insurance account.

Subd. 8. **Nonpayment of premiums by employer.** The failure of an employer to pay premiums does not impact the right of an employee to benefits, or any other right, under this chapter.

Sec. 20. **[268B.145] INCOME TAX WITHHOLDING.**

If the Internal Revenue Service determines that benefits are subject to federal income tax, and an applicant elects to have federal income tax deducted and withheld from the applicant's benefits, the commissioner must deduct and withhold the amount specified in the Internal Revenue Code in a manner consistent with state law.

Sec. 21. **[268B.15] COLLECTION OF PREMIUMS.**

Subdivision 1. **Amount computed presumed correct.** Any amount due from an employer, as computed by the commissioner, is presumed to be correctly determined and assessed, and the burden is upon the employer to show its incorrectness. A statement by the commissioner of the amount due is admissible in evidence in any court or administrative proceeding and is prima facie evidence of the facts in the statement.

Subd. 2. **Priority of payments.** (a) Any payment received from an employer must be applied in the following order:

(1) family and medical leave premiums under this chapter; then

(2) interest on past due premiums; then

(3) penalties, late fees, administrative service fees, and costs.

(b) Paragraph (a) is the priority used for all payments received from an employer, regardless of how the employer may designate the payment to be applied, except when:

(1) there is an outstanding lien and the employer designates that the payment made should be applied to satisfy the lien;

(2) the payment is specifically designated by the employer to be applied to an outstanding overpayment of benefits of an applicant;

(3) a court or administrative order directs that the payment be applied to a specific obligation;

(4) a preexisting payment plan provides for the application of payment; or

(5) the commissioner, under the compromise authority of section 268B.16, agrees to apply the payment to a different priority.

Subd. 3. **Estimating the premium due.** Only if an employer fails to make all necessary records available for an audit under section 268B.21 and the commissioner has reason to believe the employer has not reported all the required wages on the quarterly wage detail reports, may the commissioner then estimate the amount of premium due and assess the employer the estimated amount due.



Subd. 4. **Costs.** (a) Any employer and any applicant subject to section 268B.185, subdivision 2, that fails to pay any amount when due under this chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs, including attorney fees, incurred in the collection of the amounts due.

(b) If any tendered payment of any amount due is not honored when presented to a financial institution for payment, any costs assessed the department by the financial institution and a fee of \$25 must be assessed to the person.

(c) Costs and fees collected under this subdivision are credited to the enforcement account under section 268B.185, subdivision 3.

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under this chapter are not received on the date due, the commissioner must assess interest on any amount that remains unpaid. Interest is assessed at the rate of one percent per month or any part of a month. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the enforcement account under section 268B.185, subdivision 3.

Subd. 6. **Interest on judgments.** Regardless of section 549.09, if a judgment is entered upon any past due amounts from an employer under this chapter, the unpaid judgment bears interest at the rate specified in subdivision 5 until the date of payment.

Subd. 7. **Credit adjustments; refunds.** (a) If an employer makes an application for a credit adjustment of any amount paid under this chapter within four years of the date that the payment was due, in a manner and format prescribed by the commissioner, and the commissioner determines that the payment or any portion thereof was erroneous, the commissioner must make an adjustment and issue a credit without interest. If a credit cannot be used, the commissioner must refund, without interest, the amount erroneously paid. The commissioner, on the commissioner's own motion, may make a credit adjustment or refund under this subdivision.

(b) Any refund returned to the commissioner is considered unclaimed property under chapter 345.

(c) If a credit adjustment or refund is denied in whole or in part, a determination of denial must be sent to the employer by mail or electronic transmission. The determination of denial is final unless an employer files an appeal within 20 calendar days after sending. Proceedings on the appeal are conducted in accordance with section 268B.08.

(d) If an employer receives a credit adjustment or refund under this section, the employer must determine the amount of any overpayment attributable to a deduction from employee wages under section 268B.14, subdivision 3, and return any amount erroneously deducted to each affected employee.

Subd. 8. **Priorities under legal dissolutions or distributions.** In the event of any distribution of an employer's assets according to an order of any court, including any receivership, assignment for benefit of creditors, adjudicated insolvency, or similar proceeding, premiums then or thereafter due must be paid in full before all other claims except claims for wages of not more than \$1,000 per former employee, earned within six months of the commencement of the proceedings. In the event of an employer's adjudication in bankruptcy under federal law, premiums then or thereafter due are entitled to the priority provided in that law for taxes due in any state.

Sec. 22. **[268B.155] CHILD SUPPORT DEDUCTION FROM BENEFITS.**

Subdivision 1. **Definitions.** As used in this section:

(1) "child support agency" means the public agency responsible for child support enforcement, including federally approved comprehensive Tribal IV-D programs; and

(2) "child support obligations" means obligations that are being enforced by a child support agency in accordance with a plan described in United States Code, title 42, sections 454 and 455 of the Social Security Act that has been approved by the secretary of health and human services under part D of title IV of the Social Security Act. This does not include any type of spousal maintenance or foster care payments.

Subd. 2. **Notice upon application.** In an application for family or medical leave benefits, the applicant must disclose if child support obligations are owed and, if so, in what state and county. If child support obligations are owed, the commissioner must, if the applicant establishes a benefit account, notify the child support agency.

Subd. 3. **Withholding of benefit.** The commissioner must deduct and withhold from any family or medical leave benefits payable to an applicant who owes child support obligations:

(1) the amount required under a proper order of a court or administrative agency; or

(2) if clause (1) is not applicable, the amount determined under an agreement under United States Code, title 42, section 454 (20)(B)(i), of the Social Security Act; or

(3) if clause (1) or (2) is not applicable, the amount specified by the applicant.

Subd. 4. **Payment.** Any amount deducted and withheld must be paid to the child support agency, must for all purposes be treated as if it were paid to the applicant as family or medical leave benefits and paid by the applicant to the child support agency in satisfaction of the applicant's child support obligations.

Subd. 5. **Payment of costs.** The child support agency must pay the costs incurred by the commissioner in the implementation and administration of this section and sections 518A.50 and 518A.53.

Sec. 23. **[268B.16] COMPROMISE.**

(a) The commissioner may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant. This paragraph applies if it is determined by a court of law, or a confession of judgment, that an applicant, while employed, wrongfully took from the employer \$500 or more in money or property.

(b) The commissioner may at any time compromise any premium or reimbursement due from an employer under this chapter.

(c) Any compromise involving an amount over \$10,000 must be authorized by an attorney licensed to practice law in Minnesota who is an employee of the department designated by the commissioner for that purpose.

(d) Any compromise must be in the best interest of the state of Minnesota.

Sec. 24. **[268B.17] ADMINISTRATIVE COSTS.**

From July 1, 2023, through December 31, 2023, the commissioner may spend up to seven percent of premiums collected under section 268B.15 for administration of this chapter. Beginning January 1, 2024, and each calendar year thereafter, the commissioner may spend up to seven percent of projected benefit payments for that calendar year for the administration of this chapter. The department may enter into interagency agreements with the Department of Labor and Industry, including agreements to transfer funds, subject to the limit in this section, for the Department of Labor and Industry to fulfill its enforcement authority of this chapter.

Sec. 25. **[268B.18] PUBLIC OUTREACH.**

Beginning in fiscal year 2023, the commissioner must use at least 0.5 percent of revenue collected under this chapter for the purpose of outreach, education, and technical assistance for employees, employers, and self-employed individuals eligible to elect coverage under section 268B.11. The department may enter into interagency agreements with the Department of Labor and Industry, including agreements to transfer funds, subject to the limit in section 268B.17, to accomplish the requirements of this section. At least one-half of the amount spent under this section must be used for grants to community-based groups.

Sec. 26. **[268B.185] BENEFIT OVERPAYMENTS.**

Subdivision 1. **Repaying an overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under this chapter, or (2) because of a benefit law judge's decision under section 268B.08, has received any family or medical leave benefits that the applicant was held not entitled to, is overpaid the benefits and must promptly repay the benefits to the family and medical benefit insurance account.

(b) If the applicant fails to repay the benefits overpaid, including any penalty and interest assessed under subdivisions 2 and 4, the total due may be collected by the methods allowed under state and federal law.

Subd. 2. **Overpayment because of misrepresentation.** (a) An applicant has committed misrepresentation if the applicant is overpaid benefits by making a false statement or representation without a good faith belief as to the correctness of the statement or representation.

(b) After the discovery of facts indicating misrepresentation, the commissioner must issue a determination of overpayment penalty assessing a penalty equal to 20 percent of the amount overpaid. This penalty is in addition to penalties under section 268B.19.

(c) Unless the applicant files an appeal within 20 calendar days after the sending of a determination of overpayment penalty to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

(d) A determination of overpayment penalty must state the methods of collection the commissioner may use to recover the overpayment, penalty, and interest assessed. Money received in repayment of overpaid benefits, penalties, and interest is first applied to the benefits overpaid, second to the penalty amount due, and third to any interest due.

(e) The department is authorized to issue a determination of overpayment penalty under this subdivision within 48 months of the establishment of the benefit account upon which the benefits were obtained through misrepresentation.

Subd. 3. **Family and medical benefit insurance enforcement account created.** The family and medical benefit insurance enforcement account is created in the state treasury. Any penalties and interest collected under this section shall be deposited into the account under this subdivision and shall be used only for the purposes of administering and enforcing this chapter. Only the commissioner may authorize expenditures from the account under this subdivision.

Subd. 4. **Interest.** For any family and medical leave benefits obtained by misrepresentation, and any penalty amounts assessed under subdivision 2, the commissioner must assess interest on any amount that remains unpaid beginning 30 calendar days after the date of a determination of overpayment penalty. Interest is assessed at the rate of one percent per month or any part of a month. A determination of overpayment penalty must state that interest will be assessed. Interest is not assessed on unpaid interest. Interest collected under this subdivision is credited to the family and medical benefit insurance enforcement account.

Subd. 5. **Offset of benefits.** The commissioner may offset from any future family and medical leave benefits otherwise payable the amount of a nonmisrepresentation overpayment. Except when the nonmisrepresentation overpayment resulted because the applicant failed to report deductible earnings or deductible or benefit delaying payments, no single offset may exceed 50 percent of the amount of the payment from which the offset is made.

Subd. 6. **Cancellation of overpayments.** (a) If family and medical leave benefits overpaid for reasons other than misrepresentation are not repaid or offset from subsequent benefits within six years after the date of the determination or decision holding the applicant overpaid, the commissioner must cancel the overpayment balance, and no administrative or legal proceedings may be used to enforce collection of those amounts.

(b) If family and medical leave benefits overpaid because of misrepresentation including penalties and interest are not repaid within ten years after the date of the determination of overpayment penalty, the commissioner must cancel the overpayment balance and any penalties and interest due, and no administrative or legal proceeding may be used to enforce collection of those amounts.

(c) The commissioner may cancel at any time any overpayment, including penalties and interest that the commissioner determines is uncollectible because of death or bankruptcy.

Subd. 7. **Court fees; collection fees.** (a) If the department is required to pay any court fees in an attempt to enforce collection of overpaid family and medical leave benefits, penalties, or interest, the amount of the court fees may be added to the total amount due.

(b) If an applicant who has been overpaid family and medical leave benefits because of misrepresentation seeks to have any portion of the debt discharged under the federal bankruptcy code, and the department files an objection in bankruptcy court to the discharge, the cost of any court fees may be added to the debt if the bankruptcy court does not discharge the debt.

(c) If the Internal Revenue Service assesses the department a fee for offsetting from a federal tax refund the amount of any overpayment, including penalties and interest, the amount of the fee may be added to the total amount due. The offset amount must be put in the family and medical benefit insurance enforcement account and that amount credited to the total amount due from the applicant.

Subd. 8. **Collection of overpayments.** (a) The commissioner has discretion regarding the recovery of any overpayment for reasons other than misrepresentation. Regardless of any law to the contrary, the commissioner is not required to refer any overpayment for reasons other than misrepresentation to a public or private collection agency, including agencies of this state.

(b) Amounts overpaid for reasons other than misrepresentation are not considered a "debt" to the state of Minnesota for purposes of any reporting requirements to the commissioner of management and budget.

(c) A pending appeal under section 268B.08 does not suspend the assessment of interest, penalties, or collection of an overpayment.

(d) Section 16A.626 applies to the repayment by an applicant of any overpayment, penalty, or interest.

**Sec. 27. [268B.19] APPLICANT ADMINISTRATIVE PENALTIES.**

(a) Any applicant who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation in order to obtain or in an attempt to obtain benefits may be assessed, in addition to any other penalties, an administrative penalty of being ineligible for benefits for 13 to 104 weeks.

(b) A determination of ineligibility setting out the weeks the applicant is ineligible must be sent to the applicant by mail or electronic transmission. The department is authorized to issue a determination of ineligibility under this subdivision within 48 months of the establishment of the benefit account upon which the benefits were obtained, or attempted to be obtained. Unless an appeal is filed within 20 calendar days of sending, the determination is final. Proceedings on the appeal are conducted in accordance with section 268B.08.

Sec. 28. **[268B.20] EMPLOYER MISCONDUCT; PENALTY.**

(a) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer is in collusion with any applicant for the purpose of assisting the applicant in receiving benefits fraudulently. The penalty is \$500 or the amount of benefits determined to be overpaid, whichever is greater.

(b) The commissioner must penalize an employer if that employer or any employee, officer, or agent of that employer:

(1) made a false statement or representation knowing it to be false;

(2) made a false statement or representation without a good-faith belief as to the correctness of the statement or representation; or

(3) knowingly failed to disclose a material fact.

(c) The penalty is the greater of \$500 or 50 percent of the following resulting from the employer's action:

(1) the amount of any overpaid benefits to an applicant;

(2) the amount of benefits not paid to an applicant that would otherwise have been paid; or

(3) the amount of any payment required from the employer under this chapter that was not paid.

(d) Penalties must be paid within 30 calendar days of issuance of the determination of penalty and credited to the family and medical benefit insurance account.

(e) The determination of penalty is final unless the employer files an appeal within 30 calendar days after the sending of the determination of penalty to the employer by United States mail or electronic transmission.

Sec. 29. **[268B.21] RECORDS; AUDITS.**

Subdivision 1. **Employer records; audits.** (a) Each employer must keep true and accurate records on individuals performing services for the employer, containing the information the commissioner may require under this chapter. The records must be kept for a period of not less than four years in addition to the current calendar year.

(b) For the purpose of administering this chapter, the commissioner has the power to audit, examine, or cause to be supplied or copied, any books, correspondence, papers, records, or memoranda that are the property of, or in the possession of, an employer or any other person at any reasonable time and as often as may be necessary. Subpoenas may be issued under section 268B.22 as necessary, for an audit.

(c) An employer or other person that refuses to allow an audit of its records by the department or that fails to make all necessary records available for audit in the state upon request of the commissioner may be assessed an administrative penalty of \$500. The penalty collected is credited to the family and medical benefit insurance account.

(d) An employer, or other person, that fails to provide a weekly breakdown of money earned by an applicant upon request of the commissioner, information necessary for the detection of applicant misrepresentation under section 268B.185, subdivision 2, may be assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for failure to provide the information. The penalty collected is credited to the family and medical benefit insurance account.

Subd. 2. **Department records; destruction.** (a) The commissioner may make summaries, compilations, duplications, or reproductions of any records pertaining to this chapter that the commissioner considers advisable for the preservation of the information.

(b) Regardless of any law to the contrary, the commissioner may destroy any records that are no longer necessary for the administration of this chapter. In addition, the commissioner may destroy any record from which the information has been electronically captured and stored.

Sec. 30. **[268B.22] SUBPOENAS; OATHS.**

(a) The commissioner or benefit judge has authority to administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of individuals and the production of documents and other personal property necessary in connection with the administration of this chapter.

(b) Individuals subpoenaed, other than applicants or officers and employees of an employer that is the subject of the inquiry, are paid witness fees the same as witness fees in civil actions in district court. The fees need not be paid in advance.

(c) The subpoena is enforceable through the district court in Ramsey County.

Sec. 31. **[268B.23] LIEN; LEVY; SETOFF; AND CIVIL ACTION.**

Subdivision 1. **Lien.** (a) Any amount due under this chapter, from an applicant or an employer, becomes a lien upon all the property, within this state, both real and personal, of the person liable, from the date of assessment. For the purposes of this section, "date of assessment" means the date the obligation was due.

(b) The lien is not enforceable against any purchaser, mortgagee, pledgee, holder of a Uniform Commercial Code security interest, mechanic's lien, or judgment lien creditor, until a notice of lien has been filed with the county recorder of the county where the property is situated, or in the case of personal property belonging to a nonresident person in the Office of the Secretary of State. When the notice of lien is filed with the county recorder, the fee for filing and indexing is as provided in sections 272.483 and 272.484.

(c) Notices of liens, lien renewals, and lien releases, in a form prescribed by the commissioner, may be filed with the county recorder or the secretary of state by mail, personal delivery, or electronic transmission into the computerized filing system of the secretary of state. The secretary of state must, on any notice filed with that office, transmit the notice electronically to the appropriate county recorder. The filing officer, whether the county recorder or the secretary of state, must endorse and index a printout of the notice as if the notice had been mailed or delivered.

(d) County recorders and the secretary of state must enter information on lien notices, renewals, and releases into the central database of the secretary of state. For notices filed electronically with the county recorders, the date and time of receipt of the notice and county recorder's file number, and for notices filed electronically with the secretary of state, the secretary of state's recording information, must be entered into the central database before the close of the working day following the day of the original data entry by the commissioner.

(e) The lien imposed on personal property, even though properly filed, is not enforceable against a purchaser of tangible personal property purchased at retail or personal property listed as exempt in sections 550.37, 550.38, and 550.39.

(f) A notice of lien filed has priority over any security interest arising under chapter 336, article 9, that is perfected prior in time to the lien imposed by this subdivision, but only if:

(1) the perfected security interest secures property not in existence at the time the notice of lien is filed; and

(2) the property comes into existence after the 45th calendar day following the day the notice of lien is filed, or after the secured party has actual notice or knowledge of the lien filing, whichever is earlier.

(g) The lien is enforceable from the time the lien arises and for ten years from the date of filing the notice of lien. A notice of lien may be renewed before expiration for an additional ten years.

(h) The lien is enforceable by levy under subdivision 2 or by judgment lien foreclosure under chapter 550.

(i) The lien may be imposed upon property defined as homestead property in chapter 510 but may be enforced only upon the sale, transfer, or conveyance of the homestead property.

(j) The commissioner may sell and assign to a third party the commissioner's right of redemption in specific real property for liens filed under this subdivision. The assignee is limited to the same rights of redemption as the commissioner, except that in a bankruptcy proceeding, the assignee does not obtain the commissioner's priority. Any proceeds from the sale of the right of redemption are credited to the family and medical benefit insurance account.

**Subd. 2. Levy.** (a) If any amount due under this chapter, from an applicant or an employer, is not paid when due, the amount may be collected by the commissioner by direct levy upon all property and rights of property of the person liable for the amount due except property exempt from execution under section 550.37. For the purposes of this section, "levy" includes the power of distraint and seizure by any means.

(b) In addition to a direct levy, the commissioner may issue a warrant to the sheriff of any county who must proceed within 60 calendar days to levy upon the property or rights to property of the delinquent person within the county, except property exempt under section 550.37. The sheriff must sell that property necessary to satisfy the total amount due, together with the commissioner's and sheriff's costs. The sales are governed by the law applicable to sales of like property on execution of a judgment.

(c) Notice and demand for payment of the total amount due must be mailed to the delinquent person at least ten calendar days before action being taken under paragraphs (a) and (b).

(d) If the commissioner has reason to believe that collection of the amount due is in jeopardy, notice and demand for immediate payment may be made. If the total amount due is not paid, the commissioner may proceed to collect by direct levy or issue a warrant without regard to the ten calendar day period.

(e) In executing the levy, the commissioner must have all of the powers provided in chapter 550 or any other law that provides for execution against property in this state. The sale of property levied upon and the time and manner of redemption is as provided in chapter 550. The seal of the court is not required. The levy may be made whether or not the commissioner has commenced a legal action for collection.

(f) Where any assessment has been made by the commissioner, the property seized for collection of the total amount due must not be sold until any determination of liability has become final. No sale may be made unless a portion of the amount due remains unpaid for a period of more than 30 calendar days after the determination of liability becomes final. Seized property may be sold at any time if:

(1) the delinquent person consents in writing to the sale; or

(2) the commissioner determines that the property is perishable or may become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense.

(g) Where a levy has been made to collect the amount due and the property seized is properly included in a formal proceeding commenced under sections 524.3-401 to 524.3-505 and maintained under full supervision of the court, the property may not be sold until the probate proceedings are completed or until the court orders.

(h) The property seized must be returned if the owner:

(1) gives a surety bond equal to the appraised value of the owner's interest in the property, as determined by the commissioner; or

(2) deposits with the commissioner security in a form and amount the commissioner considers necessary to insure payment of the liability.

(i) If a levy or sale would irreparably injure rights in property that the court determines superior to rights of the state, the court may grant an injunction to prohibit the enforcement of the levy or to prohibit the sale.

(j) Any person who fails or refuses to surrender without reasonable cause any property or rights to property subject to levy is personally liable in an amount equal to the value of the property or rights not so surrendered, but not exceeding the amount due.

(k) If the commissioner has seized the property of any individual, that individual may, upon giving 48 hours notice to the commissioner and to the court, bring a claim for equitable relief before the district court for the release of the property upon terms and conditions the court considers equitable.

(l) Any person in control or possession of property or rights to property upon which a levy has been made who surrenders the property or rights to property, or who pays the amount due is discharged from any obligation or liability to the person liable for the amount due with respect to the property or rights to property.

(m) The notice of any levy may be served personally or by mail.

(n) The commissioner may release the levy upon all or part of the property or rights to property levied upon if the commissioner determines that the release will facilitate the collection of the liability, but the release does not prevent any subsequent levy. If the commissioner determines that property has been wrongfully levied upon, the commissioner must return:

(1) the specific property levied upon, at any time; or

(2) an amount of money equal to the amount of money levied upon, at any time before the expiration of nine months from the date of levy.

(o) Regardless of section 52.12, a levy upon a person's funds on deposit in a financial institution located in this state, has priority over any unexercised right of setoff of the financial institution to apply the levied funds toward the balance of an outstanding loan or loans owed by the person to the financial institution. A claim by the financial institution that it exercised its right to setoff before the levy must be substantiated by evidence of the date of the setoff, and verified by an affidavit from a corporate officer of the financial institution. For purposes of determining the priority of any levy under this subdivision, the levy is treated as if it were an execution under chapter 550.



Subd. 3. **Right of setoff.** (a) Upon certification by the commissioner to the commissioner of management and budget, or to any state agency that disburses its own funds, that a person, applicant, or employer has a liability under this chapter, and that the state has purchased personal services, supplies, contract services, or property from that person, the commissioner of management and budget or the state agency must set off and pay to the commissioner an amount sufficient to satisfy the unpaid liability from funds appropriated for payment of the obligation of the state otherwise due the person. No amount may be set off from any funds exempt under section 550.37 or funds due an individual who receives assistance under chapter 256.

(b) All funds, whether general or dedicated, are subject to setoff.

(c) Regardless of any law to the contrary, the commissioner has first priority to setoff from any funds otherwise due from the department to a delinquent person.

Subd. 4. **Collection by civil action.** (a) Any amount due under this chapter, from an applicant or employer, may be collected by civil action in the name of the state of Minnesota. Civil actions brought under this subdivision must be heard as provided under section 16D.14. In any action, judgment must be entered in default for the relief demanded in the complaint without proof, together with costs and disbursements, upon the filing of an affidavit of default.

(b) Any person that is not a resident of this state and any resident person removed from this state, is considered to appoint the secretary of state as its agent for the acceptance of process in any civil action. The commissioner must file process with the secretary of state, together with a payment of a fee of \$15 and that service is considered sufficient service and has the same force and validity as if served personally within this state. Notice of the service of process, together with a copy of the process, must be sent by certified mail to the person's last known address. An affidavit of compliance with this subdivision, and a copy of the notice of service must be appended to the original of the process and filed in the court.

(c) No court filing fees, docketing fees, or release of judgment fees may be assessed against the state for actions under this subdivision.

Subd. 5. **Injunction forbidden.** No injunction or other legal action to prevent the determination, assessment, or collection of any amounts due under this chapter, from an applicant or employer, are allowed.

#### Sec. 32. **[268B.24] CONCILIATION SERVICES.**

The Department of Labor and Industry may offer conciliation services to employers and employees to resolve disputes concerning alleged violations of employment protections identified in section 268B.09.

#### Sec. 33. **[268B.25] ANNUAL REPORTS.**

(a) Beginning on or before December 1, 2023, the commissioner must annually report to the Department of Management and Budget and the house of representatives and senate committee chairs with jurisdiction over this chapter on program administrative expenditures and revenue collection for the prior fiscal year, including but not limited to:

(1) total revenue raised through premium collection;

(2) the number of self-employed individuals or independent contractors electing coverage under section 268B.11 and amount of associated revenue;

(3) the number of covered business entities paying premiums under this chapter and associated revenue;

(4) administrative expenditures including transfers to other state agencies expended in the administration of the chapter;

(5) summary of contracted services expended in the administration of this chapter;

(6) grant amounts and recipients under sections 268B.29 and 268B.18;

(7) an accounting of required outreach expenditures;

(8) summary of private plan approvals including the number of employers and employees covered under private plans; and

(9) adequacy and use of the private plan approval and oversight fee.

(b) Beginning on or before December 1, 2023, the commissioner must annually publish a publicly available report providing the following information for the previous fiscal year:

(1) total eligible claims;

(2) the number and percentage of claims attributable to each category of benefit;

(3) claimant demographics by age, gender, average weekly wage, occupation, and the type of leave taken;

(4) the percentage of claims denied and the reasons therefor, including but not limited to insufficient information and ineligibility and the reason therefor;

(5) average weekly benefit amount paid for all claims and by category of benefit;

(6) changes in the benefits paid compared to previous fiscal years;

(7) processing times for initial claims processing, initial determinations, and final decisions;

(8) average duration for cases completed; and

(9) the number of cases remaining open at the close of such year.

Sec. 34. **[268B.26] NOTICE REQUIREMENTS.**

(a) Each employer must post in a conspicuous place on each of its premises a workplace notice prepared or approved by the commissioner providing notice of benefits available under this chapter. The required workplace notice must be in English and each language other than English which is the primary language of five or more employees or independent contractors of that workplace, if such notice is available from the department.

(b) Each employer must issue to each employee not more than 30 days from the beginning date of the employee's employment, or 30 days before premium collection begins, whichever is later, the following written information provided or approved by the department in the primary language of the employee:

(1) an explanation of the availability of family and medical leave benefits provided under this chapter, including rights to reinstatement and continuation of health insurance;

(2) the amount of premium deductions made by the employer under this chapter;

- (3) the employer's premium amount and obligations under this chapter;
- (4) the name and mailing address of the employer;
- (5) the identification number assigned to the employer by the department;
- (6) instructions on how to file a claim for family and medical leave benefits;
- (7) the mailing address, e-mail address, and telephone number of the department; and
- (8) any other information required by the department.

Delivery is made when an employee provides written acknowledgment of receipt of the information, or signs a statement indicating the employee's refusal to sign such acknowledgment.

(c) Each employer shall provide to each independent contractor with whom it contracts, at the time such contract is made or, for existing contracts, within 30 days of the effective date of this section, the following written information provided or approved by the department in the self-employed individual's primary language:

- (1) the address and telephone number of the department; and
- (2) any other information required by the department.

(d) An employer that fails to comply with this subdivision may be issued, for a first violation, a civil penalty of \$50 per employee and per independent contractor with whom it has contracted, and for each subsequent violation, a civil penalty of \$300 per employee or self-employed individual with whom it has contracted. The employer shall have the burden of demonstrating compliance with this section.

(e) Employer notice to an employee under this section may be provided in paper or electronic format. For notice provided in electronic format only, the employer must provide employee access to an employer-owned computer during an employee's regular working hours to review and print required notices.

Sec. 35. **[268B.27] RELATIONSHIP TO OTHER LEAVE; CONSTRUCTION.**

Subdivision 1. **Concurrent leave.** An employer may require leave taken under this chapter to run concurrently with leave taken for the same purpose under section 181.941 or the Family and Medical Leave Act, United States Code, title 29, sections 2601 to 2654, as amended.

Subd. 2. **Construction.** Nothing in this chapter shall be construed to:

- (1) allow an employer to compel an employee to exhaust accumulated sick, vacation, or personal time before or while taking leave under this chapter;
- (2) except as provided under section 268B.01, subdivision 37, prohibit an employer from providing additional benefits, including but not limited to covering the portion of earnings not provided under this chapter during periods of leave covered under this chapter; or
- (3) limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to leave benefits and related procedures and employee protections that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements in this chapter.

Sec. 36. **[268B.28] SEVERABLE.**

If the United States Department of Labor or a court of competent jurisdiction determines that any provision of the family and medical benefit insurance program under this chapter is not in conformity with, or is inconsistent with, the requirements of federal law, the provision has no force or effect. If only a portion of the provision, or the application to any person or circumstances, is determined not in conformity, or determined inconsistent, the remainder of the provision and the application of the provision to other persons or circumstances are not affected.

Sec. 37. **[268B.29] SMALL BUSINESS ASSISTANCE GRANTS.**

(a) Employers with 50 or fewer employees may apply to the department for grants under this section.

(b) The commissioner may approve a grant of up to \$3,000 if the employer hires a temporary worker to replace an employee on family or medical leave for a period of seven days or more.

(c) For an employee's family or medical leave, the commissioner may approve a grant of up to \$1,000 as reimbursement for significant additional wage-related costs due to the employee's leave.

(d) To be eligible for consideration for a grant under this section, the employer must provide the department written documentation showing the temporary worker hired or significant wage-related costs incurred are due to an employee's use of leave under this chapter.

(e) The grants under this section may be funded from the family and medical benefit insurance account.

(f) For the purposes of this section, the commissioner shall average the number of employees reported by an employer over the last four completed calendar quarters to determine the size of the employer.

(g) An employer who has an approved private plan is not eligible to receive a grant under this section.

(h) The commissioner may award grants under this section only up to a maximum of \$5,000,000 per calendar year.

Sec. 38. **EFFECTIVE DATES.**

(a) Benefits under Minnesota Statutes, chapter 268B, shall not be applied for or paid until January 1, 2024, and thereafter.

(b) Sections 1, 2, 4, 5, 6, 36, and 38 are effective July 1, 2021.

(c) Section 15 is effective July 1, 2022.

(d) Sections 3, 17, 18, 19, 21, 23, 24, 25, 29, 30, 31, and 33 are effective January 1, 2023.

(e) Sections 7, 8, 9, 10, 11, 12, 13, 14, 16, 20, 22, 26, 27, 28, 32, 34, 35, and 37 are effective January 1, 2024.

ARTICLE 5  
FAMILY AND MEDICAL LEAVE BENEFIT AS EARNINGS

Section 1. Minnesota Statutes 2020, section 256J.561, is amended by adding a subdivision to read:

Subd. 4. **Parents receiving family and medical leave benefits.** A parent who meets the criteria under subdivision 2 and who receives benefits under chapter 268B is not required to participate in employment services.

Sec. 2. Minnesota Statutes 2020, section 256J.95, subdivision 3, is amended to read:

Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of family units listed in clauses (1) to (8), all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units or individuals that are not eligible for the diversionary work program include:

- (1) child only cases;
  - (2) single-parent family units that include a child under 12 months of age. A parent is eligible for this exception once in a parent's lifetime;
  - (3) family units with a minor parent without a high school diploma or its equivalent;
  - (4) family units with an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;
  - (5) family units with a caregiver who received DWP benefits within the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);
  - (6) family units with a caregiver who received MFIP within the 12 months prior to the month the family applied for DWP;
  - (7) family units with a caregiver who received 60 or more months of TANF assistance; ~~and~~
  - (8) family units with a caregiver who is disqualified from the work participation cash benefit program, DWP, or MFIP due to fraud; and
  - (9) single-parent family units where a parent is receiving family and medical leave benefits under chapter 268B.
- (b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), or (8).
- (c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

Sec. 3. Minnesota Statutes 2020, section 256J.95, subdivision 11, is amended to read:

Subd. 11. **Universal participation required.** (a) All DWP caregivers, except caregivers who meet the criteria in paragraph (d), are required to participate in DWP employment services. Except as specified in paragraphs (b) and (c), employment plans under DWP must, at a minimum, meet the requirements in section 256J.55, subdivision 1.

(b) A caregiver who is a member of a two-parent family that is required to participate in DWP who would otherwise be ineligible for DWP under subdivision 3 may be allowed to develop an employment plan under section 256J.521, subdivision 2, that may contain alternate activities and reduced hours.

(c) A participant who is a victim of family violence shall be allowed to develop an employment plan under section 256J.521, subdivision 3. A claim of family violence must be documented by the applicant or participant by providing a sworn statement which is supported by collateral documentation in section 256J.545, paragraph (b).

(d) One parent in a two-parent family unit ~~that has a natural born child under 12 months of age~~ is not required to have an employment plan ~~until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5):~~ if that parent:

(1) receives family and medical leave benefits under chapter 268B; or

(2) has a natural born child under 12 months of age until the child reaches 12 months of age unless the family unit has already used the exclusion under section 256J.561, subdivision 3, or the previously allowed child under age one exemption under section 256J.56, paragraph (a), clause (5).

(e) The provision in paragraph (d) ends the first full month after the child reaches 12 months of age. This provision is allowable only once in a caregiver's lifetime. In a two-parent household, only one parent shall be allowed to use this category.

(f) The participant and job counselor must meet in the month after the month the child reaches 12 months of age to revise the participant's employment plan. The employment plan for a family unit that has a child under 12 months of age that has already used the exclusion in section 256J.561 must be tailored to recognize the caregiving needs of the parent.

Sec. 4. Minnesota Statutes 2020, section 256P.01, subdivision 3, is amended to read:

Subd. 3. **Earned income.** "Earned income" means cash or in-kind income earned through the receipt of wages, salary, commissions, bonuses, tips, gratuities, profit from employment activities, net profit from self-employment activities, payments made by an employer for regularly accrued vacation or sick leave, severance pay based on accrued leave time, benefits paid under chapter 268B, payments from training programs at a rate at or greater than the state's minimum wage, royalties, honoraria, or other profit from activity that results from the client's work, service, effort, or labor. The income must be in return for, or as a result of, legal activity.

Sec. 5. **EFFECTIVE DATE.**

Sections 1 to 4 are effective January 1, 2024.

## ARTICLE 6 UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2020, section 268.035, subdivision 21c, is amended to read:

Subd. 21c. **Reemployment assistance training.** (a) An applicant is in "reemployment assistance training" when:

(1) (i) a reasonable opportunity for suitable employment for the applicant does not exist in the labor market area and additional training will assist the applicant in obtaining suitable employment;

(2) (ii) the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

(3) (iii) the training is vocational or short term academic training directed to an occupation or skill that will substantially enhance the employment opportunities available to the applicant in the applicant's labor market area;

(4) (iv) the training course is full time by the training provider; and

(5) (v) the applicant is making satisfactory progress in the training;

(2) the applicant can provide proof of enrollment in one or more programs offered by an adult basic education consortium under section 124D.518. Programs may include but are not limited to:

(i) general educational development diploma preparation;

(ii) local credit completion adult high school diploma preparation;

(iii) state competency-based adult high school diploma preparation;

(iv) basic skills enhancement training focused on math, functional literacy, reading, or writing;

(v) computer skills training; or

(vi) English as a second language instruction;

(3) the applicant can provide proof of enrollment in an English as a second language program taught by a licensed instructor;

(4) the applicant can provide proof of enrollment in an over-the-road truck driving training program offered by a college or university within the Minnesota state system; or

(5) the applicant can provide proof of enrollment in a program funded under section 116L.99.

(b) Full-time training provided through the dislocated worker program, the Trade Act of 1974, as amended, or the North American Free Trade Agreement is "reemployment assistance training," if that training course is in accordance with the requirements of that program.

(c) Apprenticeship training provided in order to meet the requirements of an apprenticeship program under chapter 178 is "reemployment assistance training."

(d) An applicant is in reemployment assistance training only if the training course has actually started or is scheduled to start within 30 calendar days.

Sec. 2. Minnesota Statutes 2020, section 268.085, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

(1) that occurs before the effective date of a benefit account;

(2) that the applicant, at any time during the week, has an outstanding misrepresentation overpayment balance under section 268.18, subdivision 2, including any penalties and interest;

~~(3) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;~~

~~(4) (3) that the applicant is incarcerated or performing court-ordered community service. The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day the applicant is incarcerated or performing court-ordered community service;~~

~~(5) (4) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268.101;~~

~~(6)~~ (5) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, volunteer work, or self-employment regardless of the amount of any earnings; or

~~(7)~~ (6) with respect to which the applicant has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to establish a benefit account under federal law or the law of any other state, this clause does not apply.

**EFFECTIVE DATE.** This section is effective August 1, 2021.

Sec. 3. Minnesota Statutes 2020, section 268.085, subdivision 4a, is amended to read:

Subd. 4a. **Social Security disability benefits.** (a) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week is ineligible for unemployment benefits for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is available for suitable employment.

(b) If an applicant meets the requirements of paragraph (a), clause (1) or (2), there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits.

~~(c) If an applicant meets the requirements of paragraph (a), clause (2), there must be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week.~~

~~If the Social Security Administration determines that the applicant is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, then this paragraph does not apply to that week.~~

~~(d)~~ (c) Information from the Social Security Administration is conclusive, absent specific evidence showing that the information was erroneous.

~~(e)~~ (d) This subdivision does not apply to Social Security survivor benefits.

**EFFECTIVE DATE.** This section is effective retroactively from January 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 268.085, subdivision 7, is amended to read:

Subd. 7. **School employees; between terms denial.** (a) Wage credits from employment with an educational institution or institutions may not be used for unemployment benefit purposes for any week during the period between two successive academic years or terms if:

(1) the applicant had employment for an educational institution or institutions in the prior academic year or term; and

(2) there is a reasonable assurance that the applicant will have employment for an educational institution or institutions in the following academic year or term.



This paragraph applies to a vacation period or holiday recess if the applicant was employed immediately before the vacation period or holiday recess, and there is a reasonable assurance that the applicant will be employed immediately following the vacation period or holiday recess. This paragraph also applies to the period between two regular but not successive terms if there is an agreement for that schedule between the applicant and the educational institution.

This paragraph does not apply if the subsequent employment is substantially less favorable than the employment of the prior academic year or term, or the employment prior to the vacation period or holiday recess.

(b) Paragraph (a) does not apply to:

(1) an applicant who, at the end of the prior academic year or term, had an agreement for a definite period of employment between academic years or terms in other than an instructional, research, or principal administrative capacity and the educational institution or institutions failed to provide that employment; or

(2) an applicant in a position for which no license is required by the Professional Educator Licensing and Standards Board or the Board of School Administrators.

(c) If unemployment benefits are denied to any applicant under paragraph (a) who was employed in the prior academic year or term in other than an instructional, research, or principal administrative capacity and who was not offered an opportunity to perform the employment in the following academic year or term, the applicant is entitled to retroactive unemployment benefits for each week during the period between academic years or terms that the applicant filed a timely continued request for unemployment benefits, but unemployment benefits were denied solely because of paragraph (a).

(d) This subdivision applies to employment with an educational service agency if the applicant performed the services at an educational institution or institutions. "Educational service agency" means a governmental entity established and operated for the purpose of providing services to one or more educational institutions.

(e) This subdivision applies to employment with Minnesota, a political subdivision, or a nonprofit organization, if the services are provided to or on behalf of an educational institution or institutions.

(f) Paragraph (a) applies beginning the Sunday of the week that there is a reasonable assurance of employment.

(g) Employment and a reasonable assurance with multiple education institutions must be aggregated for purposes of application of this subdivision.

(h) If all of the applicant's employment with any educational institution or institutions during the prior academic year or term consisted of on-call employment, and the applicant has a reasonable assurance of any on-call employment with any educational institution or institutions for the following academic year or term, it is not considered substantially less favorable employment.

(i) A "reasonable assurance" may be written, oral, implied, or established by custom or practice.

(j) An "educational institution" is a school, college, university, or other educational entity operated by Minnesota, a political subdivision or instrumentality thereof, or a nonprofit organization.

(k) An "instructional, research, or principal administrative capacity" does not include an educational assistant.

Sec. 5. Minnesota Statutes 2020, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) Subject to section 268.031, an issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source.

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The department is authorized to issue a determination on an issue of ineligibility within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer.

If an applicant obtained unemployment benefits through misrepresentation under section 268.18, subdivision 2, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

If the department has filed an intervention in a worker's compensation matter under section 176.361, the department is authorized to issue a determination of ineligibility within 48 months of the establishment of the benefit account.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or employer within ~~20~~ 60 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

Sec. 6. Minnesota Statutes 2020, section 268.133, is amended to read:

**268.133 UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL TRAINING.**

Unemployment benefits are available to dislocated workers participating in the converting layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision 11. Applicants participating in CLIMB are considered in reemployment assistance training under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision 1, must be met, except the commissioner may waive:

- (1) the deductible earnings provisions in section 268.085, subdivision 5; and
- (2) the 32 hours of work limitation in section 268.085, subdivision 2, clause ~~(6)~~ (5). A maximum of 500 applicants may receive a waiver at any given time.

**EFFECTIVE DATE.** This section is effective August 1, 2021.

Sec. 7. Minnesota Statutes 2020, section 268.136, subdivision 1, is amended to read:

Subdivision 1. **Shared work plan requirements.** An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed shared work plan must include:

- (1) a certified statement that the normal weekly hours of work of all of the proposed participating employees were full time or regular part time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;
- (2) the name and Social Security number of each participating employee;
- (3) the number of layoffs that would have occurred absent the employer's ability to participate in a shared work plan;
- (4) a certified statement that each participating employee was first hired by the employer at least ~~one year~~ three months before the proposed shared work plan is submitted and is not a seasonal, temporary, or intermittent worker;
- (5) the hours of work each participating employee will work each week for the duration of the shared work plan, which must be at least 50 percent of the normal weekly hours but no more than 80 percent of the normal weekly hours, except that the plan may provide for a uniform vacation shutdown of up to two weeks;
- (6) a certified statement that any health benefits and pension benefits provided by the employer to participating employees will continue to be provided under the same terms and conditions as though the participating employees' hours of work each week had not been reduced;
- (7) a certified statement that the terms and implementation of the shared work plan is consistent with the employer's obligations under state and federal law;

(8) an acknowledgment that the employer understands that unemployment benefits paid under a shared work plan will be used in computing the future tax rate of a taxpaying employer or charged to the reimbursable account of a nonprofit or government employer;

(9) the proposed duration of the shared work plan, which must be at least two months and not more than one year, although a plan may be extended for up to an additional year upon approval of the commissioner;

(10) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed shared work plan is submitted; and

(11) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. **CONTINUED SUSPENSION OF ONE-WEEK WAITING PERIOD.**

Notwithstanding Minnesota Statutes, section 268.085, subdivision 1, the one-week nonpayable waiting period to receive unemployment benefits is waived for applicants for unemployment insurance benefit accounts established between December 27, 2020, and September 4, 2021.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 9. **CONTINUED SUSPENSION OF FIVE-WEEK BUSINESS OWNER BENEFIT LIMITATION.**

Notwithstanding Minnesota Statutes, section 268.085, subdivision 9, the five-week limitation for receipt of unemployment benefits for business owners is suspended for applicants for unemployment insurance benefit accounts established between December 27, 2020, and September 4, 2021.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 10. **LEAVE OF ABSENCE DUE TO COVID-19.**

Notwithstanding Minnesota Statutes, section 268.085, subdivision 13a, for an applicant applying for an unemployment insurance benefit account established between December 27, 2020, and September 4, 2021, a leave of absence is presumed to be an involuntary leave of absence and not ineligible if:

(1) a determination has been made by health authorities or by a health care professional that the presence of the applicant in the workplace would jeopardize the health of others, whether or not the applicant has actually contracted a communicable disease;

(2) a quarantine or isolation order has been issued to the applicant pursuant to Minnesota Statutes, sections 144.419 to 144.4196;

(3) there is a recommendation from health authorities or from a health care professional that the applicant should self-isolate or self-quarantine due to elevated risk from COVID-19 due to being immunocompromised;

(4) the applicant has been instructed by the applicant's employer not to come to the employer's place of business due to an outbreak of a communicable disease; or

(5) the applicant has received a notification from a school district, day care, or other child care provider that either (i) classes are canceled, or (ii) the applicant's ordinary child care is unavailable, provided that the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation was available.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 11. **SUITABLE EMPLOYMENT DURING COVID-19 PANDEMIC.**

Notwithstanding the definition of "suitable employment" provided in Minnesota Statutes, section 268.035, subdivision 23a, for an applicant applying for unemployment insurance benefits between December 27, 2020, and September 4, 2021, employment is not suitable under Minnesota Statutes, section 268.035, subdivision 23a, paragraphs (a) and (b), if:

(1) the employment puts the health and safety of the applicant at risk due to potential exposure of the applicant to COVID-19; or

(2) the employment puts the health and safety of other workers and the general public at risk due to potential exposure of the other workers and the general public to COVID-19.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2020.

Sec. 12. **PANDEMIC UNEMPLOYMENT ASSISTANCE TO HIGH SCHOOL STUDENTS.**

Pandemic Unemployment Assistance payments made to high school students under the federal CARES Act, United States Code, title 15, chapter 116, and extended by the federal Consolidated Appropriations Act, 2021, Public Law 116-260, subject to any necessary federal approval, must not be counted as income when determining eligibility for the programs administered by the Department of Human Services.

**EFFECTIVE DATE.** This section is effective retroactively from January 7, 2021.

Sec. 13. **REPEALER.**

(a) Minnesota Statutes 2020, section 268.085, subdivision 4, is repealed January 1, 2021.

(b) Minnesota Statutes 2020, section 268.085, subdivision 8, is repealed.

ARTICLE 7  
LABOR APPROPRIATIONS

Section 1. **LABOR AND INDUSTRY AND BUREAU OF MEDIATION SERVICES APPROPRIATIONS.**

(a) The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2022" and "2023" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2022, or June 30, 2023, respectively. "The first year" is fiscal year 2022. "The second year" is fiscal year 2023. "The biennium" is fiscal years 2022 and 2023.

(b) If an appropriation in this article is enacted more than once in the 2021 regular or special legislative session, the appropriation must be given effect only once.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2022**                      **2023**

Sec. 2. **DEPARTMENT OF LABOR AND INDUSTRY**

Subdivision 1. **Total Appropriation**    **\$32,558,000**                      **\$32,742,000**

**Appropriations by Fund**

	<u>2022</u>	<u>2023</u>
<u>General</u>	6,320,000	6,604,000
<u>Workers' Compensation</u>	22,991,000	22,991,000
<u>Workforce Development</u>	3,247,000	3,147,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **General Support**    **6,515,000**                      **6,515,000**

**Appropriations by Fund**

<u>General</u>	476,000	476,000
<u>Workers' Compensation</u>	6,039,000	6,039,000

\$476,000 each year is for system upgrades. This appropriation is available until June 30, 2023. The base amount in fiscal year 2024 is zero. This appropriation includes funds for information technology project services and support subject to Minnesota Statutes, section 16E.0466. Any ongoing information technology costs must be incorporated into the service level agreement and must be paid to the Office of MN.IT Services by the commissioner of labor and industry under the rates and mechanism specified in that agreement.

Subd. 3. **Labor Standards and Apprenticeship**    **7,391,000**                      **7,675,000**

**Appropriations by Fund**

<u>General</u>	5,644,000	5,928,000
<u>Workforce Development</u>	1,747,000	1,747,000

(a) \$2,046,000 each year is for wage theft prevention.

(b) \$151,000 each year is from the workforce development fund for prevailing wage enforcement.

(c) \$1,271,000 each year is from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178.

(d) \$100,000 each year is from the workforce development fund for labor education and advancement program grants under Minnesota Statutes, section 178.11, to expand and promote registered apprenticeship training for minorities and women.

(e) \$225,000 each year is from the workforce development fund for grants to the Construction Careers Foundation for the Helmets to Hard Hats Minnesota initiative. Grant funds must be used to recruit, retain, assist, and support National Guard, reserve, and active duty military members' and veterans' participation into apprenticeship programs registered with the Department of Labor and Industry and connect them with career training and employment in the building and construction industry. The recruitment, selection, employment, and training must be without discrimination due to race, color, creed, religion, national origin, sex, sexual orientation, marital status, physical or mental disability, receipt of public assistance, or age. This is a onetime appropriation.

(f) \$84,000 the first year and \$34,000 the second year are for outreach and enforcement efforts related to changes to the parenting leave and accommodation law.

(g) \$84,000 the first year and \$34,000 the second year are for outreach and enforcement efforts related to changes to the Women's Economic Security Act.

(h) \$1,306,000 the first year and \$1,941,000 the second year are for earned sick and safe time compliance and enforcement efforts under Minnesota Statutes, sections 181.9445 to 181.9448, and chapter 177. The base amount in fiscal years 2024 and 2025 is \$1,631,000.

(i) \$300,000 each year is for earned sick and safe time grants to community organizations under Minnesota Statutes, section 177.50, subdivision 4.

(j) \$131,000 the first year and \$27,000 the second year are for purposes of implementing the Emergency Rehire and Retention Law. The base amount in fiscal year 2024 and after is zero.

(k) \$344,000 the first year and \$147,000 the second year are for the purposes of the Safe Workplaces for Meat and Poultry Processing Workers Act under Minnesota Statutes, sections 179.87 to 179.8757.

**Subd. 4. Workers' Compensation**

11,882,000

11,882,000

This appropriation is from the workers' compensation fund.

**Subd. 5. Workplace Safety**

5,070,000

5,070,000

This appropriation is from the workers' compensation fund.

**Subd. 6. Workforce Development Initiatives**1,700,0001,600,000Appropriations by Fund

<u>General</u>	<u>200,000</u>	<u>200,000</u>
<u>Workforce Development</u>	<u>1,500,000</u>	<u>1,400,000</u>

(a) \$200,000 each year is for identification of competency standards under Minnesota Statutes, section 175.45.

(b) \$1,100,000 each year is from the workforce development fund for the youth skills training grants under Minnesota Statutes, section 175.46. Of this amount, \$100,000 each year is for administration of the program.

(c) \$300,000 each year is from the workforce development fund for the pipeline program.

(d) \$100,000 the first year is from the workforce development fund for the Career Pathway Demonstration Program under article 2, section 30, for a grant to Independent School District No. 294, Houston, for the Minnesota Virtual Academy's career pathway program with Operating Engineers Local 49. The program may include up to five semesters of courses and must lead to eligibility into the Operating Engineers Local 49 apprenticeship program. The grant may be used to encourage and support student participation in the career pathway program through additional academic, counseling, and other support services provided by the student's enrolling school district. The Minnesota Virtual Academy may contract with a student's enrolling school district to provide these services. The appropriation is available until June 30, 2023.

**Sec. 3. WORKERS' COMPENSATION COURT OF APPEALS**\$2,283,000\$2,283,000

This appropriation is from the workers' compensation fund.

**Sec. 4. BUREAU OF MEDIATION SERVICES**\$2,805,000\$2,850,000

(a) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) \$560,000 each year is for purposes of the Public Employment Relations Board under Minnesota Statutes, section 179A.041.

(c) \$47,000 each year is for rulemaking, staffing, and other costs associated with peace officer grievance procedures.



Sec. 5. **MINNESOTA MANAGEMENT AND BUDGET** **\$3,000** **\$-0-**

\$3,000 the first year is for printing costs associated with earned sick and safe time. This is a onetime appropriation.

Sec. 6. **ATTORNEY GENERAL** **\$222,000** **\$222,000**

\$222,000 each year is for enforcement of the Safe Workplaces for Meat and Poultry Processing Workers Act under Minnesota Statutes, sections 179.87 to 179.8757.

Sec. 7. **CANCELLATION; FISCAL YEAR 2021.**

(a) \$203,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 2, is canceled.

(b) \$102,000 of the fiscal year 2021 general fund appropriation under Laws 2019, First Special Session chapter 7, article 1, section 5, is canceled.

Sec. 8. Laws 2019, First Special Session chapter 7, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. **Workers' Compensation** 14,882,000 11,882,000

\$3,000,000 the first year is from the workers' compensation fund for workers' compensation system upgrades. This amount is available until June 30, ~~2024~~ 2023. This is a onetime appropriation.

## ARTICLE 8 LABOR AND INDUSTRY POLICY

Section 1. Minnesota Statutes 2020, section 13.7905, subdivision 6, is amended to read:

Subd. 6. **Occupational safety and health.** (a) Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections or reports are classified under sections 182.659, subdivision 8, 182.663, subdivision 4, and 182.668, subdivision 2.

(b) Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health citations are classified under section 182.66, subdivision 4.

Sec. 2. Minnesota Statutes 2020, section 13.7905, is amended by adding a subdivision to read:

Subd. 8. **Data on individuals who are minors.** Disclosure of data on minors is governed by section 181A.112.

Sec. 3. Minnesota Statutes 2020, section 177.24, is amended by adding a subdivision to read:

Subd. 3a. **Gratuities; credit cards or charges.** (a) Gratuities received by an employee through a debit, charge, or credit card payment shall be credited to that pay period in which they are received by the employee.

(b) Where a gratuity is received by an employee through a debit, charge, or credit card payment, the full amount of gratuity indicated in the payment must be distributed to the employee for the pay period in which it is received and no later than the next scheduled pay period.

**EFFECTIVE DATE.** This section is effective August 1, 2021.

Sec. 4. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.987, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 or 181.987 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 or 181.987 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

**EFFECTIVE DATE.** This section is effective October 15, 2021.

Sec. 5. Minnesota Statutes 2020, section 178.012, subdivision 1, is amended to read:

Subdivision 1. **Apprenticeship rules.** Federal regulations governing apprenticeship in effect on ~~July 1, 2013~~ January 18, 2017, as provided by Code of Federal Regulations, title 29, ~~part parts~~ 29, sections 29.1 to 29.6 and 29.11, and 30, are the apprenticeship rules in this state, subject to amendment by this chapter or by rule under section 178.041.

Sec. 6. Minnesota Statutes 2020, section 179A.10, subdivision 2, is amended to read:

Subd. 2. **State employees.** Unclassified employees, unless otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. Supervisory employees shall only be assigned to units 12 ~~and~~ 16, and 18. The following are the appropriate units of executive branch state employees:

- (1) law enforcement unit;
- (2) craft, maintenance, and labor unit;
- (3) service unit;
- (4) health care nonprofessional unit;
- (5) health care professional unit;
- (6) clerical and office unit;

- (7) technical unit;
- (8) correctional guards unit;
- (9) state university instructional unit;
- (10) state college instructional unit;
- (11) state university administrative unit;
- (12) professional engineering unit;
- (13) health treatment unit;
- (14) general professional unit;
- (15) professional state residential instructional unit;
- (16) supervisory employees unit; ~~and~~
- (17) public safety radio communications operator unit; ~~and~~
- (18) law enforcement supervisors unit.

Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.

Sec. 7. Minnesota Statutes 2020, section 179A.10, subdivision 3, is amended to read:

Subd. 3. **State employee severance.** Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, and professional employees of the Minnesota Office of Higher Education who are compensated under section 43A.18, subdivision 4, ~~State Patrol supervisors, enforcement supervisors employed by the Department of Natural Resources, and criminal apprehension investigative supervisors.~~ This right must be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they have no right to meet and negotiate, but retain the right to meet and confer with the commissioner of management and budget and with the appropriate appointing authority on any matter of concern to them. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the commissioner shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the commissioner shall certify that result. This election, where not inconsistent with other provisions of this section, is governed by section 179A.12. If a group of employees elects to sever, the group may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance.

Sec. 8. Minnesota Statutes 2020, section 181.53, is amended to read:

**181.53 CONDITIONS PRECEDENT TO EMPLOYMENT NOT REQUIRED.**

(a) No person, whether acting directly or through an agent, or as the agent or employee of another, shall require as a condition precedent to employment any written statement as to the participation of the applicant in a strike, or as to a personal record, for more than one year immediately preceding the date of application; nor shall any person, acting in any of these capacities, use or require blanks or forms of application for employment in contravention of this section. Nothing in this section precludes an employer from requesting or considering an applicant's criminal history pursuant to section 364.021 or other applicable law.

(b) Except as provided in paragraph (c), no person or employer, whether acting directly or through an agent, shall seek to obtain; require consent to a request for; or use an employee or prospective employee's credit information, including the employee or prospective employee's credit score, credit history, credit account balances, payment history, savings or checking account balances, or savings or checking account numbers:

(1) as a condition precedent to employment;

(2) as a basis for hiring, compensation, or any other term, privilege, or condition of employment; or

(3) as a basis for discharge or any other adverse employment action.

(c) Paragraph (b) does not apply if:

(1) the information sought is required by a state or federal law or regulation;

(2) the employer or prospective employer is a financial institution or a credit union;

(3) the employer or prospective employer has a bona fide business purpose for requesting the information that is substantially related to the employee or prospective employee's position; or

(4) the employee or prospective employee's position:

(i) is a managerial position that involves setting the financial direction or control of the employer or prospective employer;

(ii) involves routine access to confidential financial and personal information, other than information customarily provided in a routine retail transaction;

(iii) involves regular access to cash totaling \$10,000 or more of the employer, the prospective employer, a customer, or a client;

(iv) is a peace officer; or

(v) requires a financial fiduciary responsibility to the employer, the prospective employer, a customer, or a client, including the authority to issue payments, collect debts, transfer money, or enter into contracts.

(d) In addition to any remedies otherwise provided by law, an employee or prospective employee injured by a violation of paragraph (b) may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney fees, and may receive such injunctive and other equitable relief as determined by the court. If the district court determines that a violation of paragraph (b) occurred, the court

may order any appropriate relief, including but not limited to reinstatement, back pay, restoration of lost service credit if appropriate, compensatory damages, and the expungement of any adverse records of an employee or prospective employee who was the subject of the alleged acts of misconduct.

Sec. 9. Minnesota Statutes 2020, section 181.939, is amended to read:

**181.939 NURSING MOTHERS, LACTATING EMPLOYEES, AND PREGNANCY ACCOMMODATIONS.**

Subdivision 1. **Nursing mothers.** (a) An employer must provide reasonable ~~unpaid break time times~~ each day to an employee who needs to express breast milk ~~for her infant child~~. The break ~~time must, if possible, times may~~ run concurrently with any break ~~time times~~ already provided to the employee. ~~An employer is not required to provide break time under this section if to do so would unduly disrupt the operations of the employer. An employer shall not reduce an employee's compensation for time used for the purpose of expressing milk.~~

(b) The employer must make reasonable efforts to provide a room or other location, in close proximity to the work area, other than a bathroom or a toilet stall, that is shielded from view and free from intrusion from coworkers and the public and that includes access to an electrical outlet, where the employee can express ~~her~~ milk in privacy. The employer would be held harmless if reasonable effort has been made.

Subd. 2. **Pregnancy accommodations.** (a) An employer must provide reasonable accommodations to an employee for health conditions related to pregnancy or childbirth upon request, with the advice of a licensed health care provider or certified doula, unless the employer demonstrates that the accommodation would impose an undue hardship on the operation of the employer's business. A pregnant employee is not required to obtain the advice of a licensed health care provider or certified doula, nor may an employer claim undue hardship for the following accommodations: (1) more frequent restroom, food, and water breaks; (2) seating; and (3) limits on lifting over 20 pounds. The employee and employer shall engage in an interactive process with respect to an employee's request for a reasonable accommodation. Reasonable accommodation may include but is not limited to temporary transfer to a less strenuous or hazardous position, seating, frequent restroom breaks, and limits to heavy lifting. Notwithstanding any other provision of this subdivision, an employer is not required to create a new or additional position in order to accommodate an employee pursuant to this subdivision and is not required to discharge an employee, transfer another employee with greater seniority, or promote an employee.

(b) Nothing in this subdivision shall be construed to affect any other provision of law relating to sex discrimination or pregnancy or in any way diminish the coverage of pregnancy, childbirth, or health conditions related to pregnancy or childbirth under any other provisions of any other law.

(c) An employer shall not require an employee to take a leave or accept an accommodation.

Subd. 3. **Employer.** (e) For the purposes of this section, "employer" means a person or entity that employs one or more employees and includes the state and its political subdivisions.

Subd. 4. **No employer retribution.** (d) An employer ~~may~~ shall not retaliate against an employee for asserting rights or remedies under this section.

Sec. 10. Minnesota Statutes 2020, section 181.940, subdivision 2, is amended to read:

Subd. 2. **Employee.** "Employee" means a person who performs services for hire for an employer from whom a leave is requested under sections 181.940 to 181.944 for:

(1) at least ~~42 months~~ 90 days preceding the request; and

(2) for an average number of hours per week equal to one-half the full-time equivalent position in the employee's job classification as defined by the employer's personnel policies or practices or pursuant to the provisions of a collective bargaining agreement, during the ~~12-month~~ 90-day period immediately preceding the leave.

Employee includes all individuals employed at any site owned or operated by the employer but does not include an independent contractor.

Sec. 11. Minnesota Statutes 2020, section 181.940, subdivision 3, is amended to read:

Subd. 3. **Employer.** "Employer" means a person or entity that employs ~~2+~~ one or more employees ~~at at least one site, except that, for purposes of the school leave allowed under section 181.9412, employer means a person or entity that employs one or more employees in Minnesota.~~ The term and includes an individual, corporation, partnership, association, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

Sec. 12. **[181.987] USE OF SKILLED AND TRAINED CONTRACTOR WORKFORCES AT OIL REFINERIES.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Contractor" means a vendor that enters into or seeks to enter into a contract with an owner or operator of an oil refinery to perform construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the oil refinery. Contractor includes all contractors or subcontractors of any tier performing work as described in this paragraph at the site of the oil refinery. Contractor does not include employees of the owner or operator of an oil refinery.

(c) "Registered apprenticeship program" means an apprenticeship program registered with the Department of Labor and Industry under chapter 178 or with the United States Department of Labor Office of Apprenticeship or a recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.

(d) "Skilled and trained workforce" means a workforce in which a minimum of 85 percent of the employees of the contractor or subcontractor of any tier working at the site of the oil refinery meet one of the following criteria:

(1) are currently registered as apprentices in a registered apprenticeship program in the applicable trade;

(2) have graduated from a registered apprenticeship program in the applicable trade; or

(3) have completed all of the classroom training and work hour requirements needed to graduate from the registered apprenticeship program their employer participates in.

Subd. 2. **Use of contractors by owner, operator; requirement.** (a) An owner or operator of an oil refinery shall, when contracting with contractors for the performance of construction, alteration, demolition, installation, repair, maintenance, or hazardous material handling work at the site of the oil refinery, require that the contractors performing that work, and any subcontractors of any tier, use a skilled and trained workforce when performing all work at the site of the oil refinery.

(b) The requirement under this subdivision applies only when each contractor and subcontractor of any tier is performing work at the site of the oil refinery.

Subd. 3. **Penalties.** The Division of Labor Standards shall receive complaints of violations of this section. The commissioner of labor and industry shall fine an owner, operator, contractor, or subcontractor of any tier not less than \$5,000 nor more than \$10,000 for each violation of the requirements in this section. Each shift on which a

violation of this section occurs shall be considered a separate violation. This penalty is in addition to any penalties provided under section 177.27, subdivision 7. In determining the amount of a civil penalty under this subdivision, the appropriateness of the penalty to the size of the violator's business and the gravity of the violation shall be considered.

Subd. 4. **Civil actions.** A person injured by a violation of this section may bring a civil action for damages against an owner or operator of an oil refinery. The court may award to a prevailing plaintiff under this subdivision damages, attorney fees, costs, disbursements, and any other appropriate relief as otherwise provided by law.

**EFFECTIVE DATE.** This section is effective October 15, 2021.

Sec. 13. **[181A.112] DATA ON INDIVIDUALS WHO ARE MINORS.**

(a) When the commissioner collects, creates, receives, maintains, or disseminates the following data on individuals who the commissioner knows are minors, the data are considered private data on individuals, as defined in section 13.02, subdivision 12, except for data classified as public data according to section 13.43:

(1) name;

(2) date of birth;

(3) Social Security number;

(4) telephone number;

(5) e-mail address;

(6) physical or mailing address;

(7) location data;

(8) online account access information; and

(9) other data that would identify participants who have registered for events, programs, or classes sponsored by the Department of Labor and Industry.

(b) Data about minors classified under this section maintain their classification as private data on individuals after the individual is no longer a minor.

Sec. 14. Minnesota Statutes 2020, section 182.66, is amended by adding a subdivision to read:

**Subd. 4. Classification of citation data.** Notwithstanding section 13.39, subdivision 2, the data in a written citation is classified as public as soon as the commissioner has received confirmation that the employer has received the citation. All data in the citation is public, including but not limited to the employer's name; the employer's address; the address of the worksite; the date or dates of inspection; the date the citation was issued; the provision of the act, standard, rule, or order alleged to have been violated; the severity level of the citation; the description of the nature of the violation; the proposed abatement date; the proposed penalty; and any abatement guidelines.

Sec. 15. Minnesota Statutes 2020, section 182.666, subdivision 1, is amended to read:

Subdivision 1. **Willful or repeated violations.** Any employer who willfully or repeatedly violates the requirements of section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, may be assessed a fine not to exceed ~~\$70,000~~ \$136,532 for each violation. The minimum fine for a willful violation is ~~\$5,000~~ \$9,753.

Sec. 16. Minnesota Statutes 2020, section 182.666, subdivision 2, is amended to read:

Subd. 2. **Serious violations.** Any employer who has received a citation for a serious violation of its duties under section 182.653, or any standard, rule, or order adopted under the authority of the commissioner as provided in this chapter, shall be assessed a fine not to exceed ~~\$7,000~~ \$13,653 for each violation. If a serious violation under section 182.653, subdivision 2, causes or contributes to the death of an employee, the employer shall be assessed a fine of up to \$25,000 for each violation.

Sec. 17. Minnesota Statutes 2020, section 182.666, subdivision 3, is amended to read:

Subd. 3. **Nonserious violations.** Any employer who has received a citation for a violation of its duties under section 182.653, subdivisions 2 to 4, where the violation is specifically determined not to be of a serious nature as provided in section 182.651, subdivision 12, may be assessed a fine of up to ~~\$7,000~~ \$13,653 for each violation.

Sec. 18. Minnesota Statutes 2020, section 182.666, subdivision 4, is amended to read:

Subd. 4. **Failure to correct a violation.** Any employer who fails to correct a violation for which a citation has been issued under section 182.66 within the period permitted for its correction, which period shall not begin to run until the date of the final order of the commissioner in the case of any review proceedings under this chapter initiated by the employer in good faith and not solely for delay or avoidance of penalties, may be assessed a fine of not more than ~~\$7,000~~ \$13,653 for each day during which the failure or violation continues.

Sec. 19. Minnesota Statutes 2020, section 182.666, subdivision 5, is amended to read:

Subd. 5. **Posting violations.** Any employer who violates any of the posting requirements, as prescribed under this chapter, except those prescribed under section 182.661, subdivision 3a, shall be assessed a fine of up to ~~\$7,000~~ \$13,653 for each violation.

Sec. 20. Minnesota Statutes 2020, section 182.666, is amended by adding a subdivision to read:

Subd. 6a. **Increases for inflation.** (a) Each year, beginning in 2022, the commissioner shall determine the percentage change in the Minneapolis-St. Paul-Bloomington, MN-WI, Consumer Price Index for All Urban Consumers (CPI-U) from the month of October in the preceding calendar year to the month of October in the current calendar year.

(b) The commissioner shall increase the fines in subdivisions 1 to 5, except for the fine for a serious violation under section 182.653, subdivision 2, that causes or contributes to the death of an employee, by the percentage change determined by the commissioner under paragraph (a), if the percentage change is greater than zero. The fines shall be increased to the nearest dollar.

(c) If the percentage change determined by the commissioner under paragraph (a) is not greater than zero, the commissioner shall not change any of the fines in subdivisions 1 to 5.



(d) A fine increase under this subdivision takes effect on the next January 1 after the commissioner determines the percentage change under paragraph (a) and the increase applies to all fines assessed on or after the next January 1.

(e) No later than December 1 of each year, the commissioner shall give notice in the State Register of any increase to the fines in subdivisions 1, 2, 3, 4, and 5.

Sec. 21. **[299F.48] AUTOMATIC SPRINKLER SYSTEMS IN EXISTING HIGH-RISE BUILDINGS.**

Subdivision 1. **Requirements.** This section applies to an existing building in which at least one story used for human occupancy is 75 feet or more above the lowest level of fire department vehicle access. An automatic sprinkler system must be installed in those portions of the entire existing building in which an automatic sprinkler system would be required if the building were constructed on the effective date of this section. The automatic sprinkler system must comply with standards in the State Fire Code and the State Building Code and must be fully operational by August 1, 2033.

Subd. 2. **Exemptions.** (a) Subdivision 1 does not apply to:

(1) a monument or war memorial that is included in the National Register of Historic Places or the state register of historic places;

(2) an airport control tower or control room;

(3) an open parking structure;

(4) a building used for agricultural purposes;

(5) a residential building in which at least 70 percent of the dwelling units are owner occupied;

(6) elevator equipment rooms and elevator shafts;

(7) electric generation and distribution facilities operated by a public utility, a municipal utility, or a cooperative electric association;

(8) areas utilized for surgery, surgical recovery, emergency backup power systems, and electrical closets within facilities licensed by the Department of Health; or

(9) a manufacturing facility that is required to meet the fire safety standards adopted by the Occupational Safety and Health Administration in Code of Federal Regulations, title 29, part 1910, subpart L.

(b) Subdivision 1 does not apply to an area used exclusively for telecommunications equipment and associated generator and power equipment and under exclusive control of a telecommunications provider if:

(1) the area is separated from the remainder of the building by construction equivalent to a one-hour fire resistant wall and two-hour floor and ceiling assemblies; and

(2) the area has an automatic fire detection and alarm system that complies with standards in the State Fire Code and State Building Code.

Subd. 3. **Reporting.** By August 1, 2023, the owner of a building subject to subdivision 1 shall submit to the state fire marshal a letter stating the owner's intent to comply with this section and a plan for achieving compliance by the deadline in subdivision 1.

Subd. 4. **Extensions.** The commissioner, or the state fire marshal as the commissioner's designee, may grant extensions to the deadline for reporting under subdivision 3 or the deadline for compliance under subdivision 1. Any extension must observe the spirit and intent of this section and be tailored to ensure public welfare and safety. To be eligible for an extension, the building owner must apply to the commissioner and demonstrate a genuine inability to comply within the time prescribed despite appropriate effort to do so.

Subd. 5. **Rules.** The commissioner may adopt rules to implement this section.

Subd. 6. **Working group.** The commissioner may appoint a working group to advise the commissioner on the implementation of this section, including the adoption of rules, and to advise the commissioner on applications for extensions. If appointed, a working group must include a representative from: the state fire marshal's office, the Department of Administration, the Minnesota State Fire Chiefs Association, a chapter of the Minnesota Building Owners and Managers Association, the Minneapolis Public Housing Authority, the Minnesota Multi Housing Association, the Minnesota Hotel and Motel Association, the Fire Marshals Association of Minnesota, professional engineers or licensed architects, a municipal water authority of a city of the first class, a national association of fire sprinkler contractors, and a resident of a building subject to subdivision 1.

Subd. 7. **Effect on other laws.** This section does not supersede the State Building Code or State Fire Code.

Sec. 22. Minnesota Statutes 2020, section 326B.07, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The Construction Codes Advisory Council consists of the following members:

(1) the commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division;

(2) the commissioner of public safety or the commissioner of public safety's designee representing the Department of Public Safety's State Fire Marshal Division;

(3) one member, appointed by the commissioner, engaged in each of the following occupations or industries:

(i) certified building officials;

(ii) fire chiefs or fire marshals;

(iii) licensed architects;

(iv) licensed professional engineers;

(v) commercial building owners and managers;

(vi) the licensed residential building industry;

(vii) the commercial building industry;

(viii) the heating and ventilation industry;

(ix) a member of the Plumbing Board;

(x) a member of the Board of Electricity;

(xi) a member of the Board of High Pressure Piping Systems;

- (xii) the boiler industry;
- (xiii) the manufactured housing industry;
- (xiv) public utility suppliers;
- (xv) the Minnesota Building and Construction Trades Council; ~~and~~
- (xvi) local units of government;
- (xvii) the energy conservation industry; and
- (xviii) a building accessibility advocate.

(b) The commissioner or the commissioner's designee representing the department's Construction Codes and Licensing Division shall serve as chair of the advisory council. For members who are not state officials or employees, compensation and removal of members of the advisory council are governed by section 15.059. The terms of the members of the advisory council shall be four years. The terms of eight of the appointed members shall be coterminous with the governor and the terms of the remaining nine appointed members shall end on the first Monday in January one year after the terms of the other appointed members expire. An appointed member may be reappointed. Each council member shall appoint an alternate to serve in their absence.

Sec. 23. Minnesota Statutes 2020, section 326B.092, subdivision 7, is amended to read:

Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license is the base license fee plus any applicable board fee, continuing education fee, and contractor recovery fund fee and additional assessment, as set forth in this subdivision.

(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number.

(c) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications is \$5.

~~(c)~~ (d) The base license fee shall depend on whether the license is classified as an entry level, master, journeyworker, or business license, and on the license duration. The base license fee shall be:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$20	\$40
Master	\$40	\$80
Business		\$180

~~(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is one year; and \$20 if the renewal license duration is two years.~~

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.925, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: \$4 if the license duration is one year; and \$8 if the license duration is two years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

(g) Notwithstanding the fee amounts described in paragraphs ~~(e)~~ (d) to (f), for the period ~~July 1, 2017~~ October 1, 2021, through September 30, ~~2021~~ 2023, the following fees apply:

License Classification	License Duration	
	1 year	2 years
Entry level	\$10	\$20
Journeyworker	\$15	\$30
Master	\$30	\$60
Business		\$120

~~If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be \$5.~~

Sec. 24. Minnesota Statutes 2020, section 326B.106, subdivision 1, is amended to read:

Subdivision 1. **Adoption of code.** (a) Subject to paragraphs (c) and (d) and sections 326B.101 to 326B.194, the commissioner shall by rule and in consultation with the Construction Codes Advisory Council establish a code of standards for the construction, reconstruction, alteration, and repair of buildings, governing matters of structural materials, design and construction, fire protection, health, sanitation, and safety, including design and construction standards regarding heat loss control, illumination, and climate control. The code must also include duties and responsibilities for code administration, including procedures for administrative action, penalties, and suspension and revocation of certification. The code must conform insofar as practicable to model building codes generally accepted and in use throughout the United States, including a code for building conservation. In the preparation of the code, consideration must be given to the existing statewide specialty codes presently in use in the state. Model codes with necessary modifications and statewide specialty codes may be adopted by reference. The code must be based on the application of scientific principles, approved tests, and professional judgment. To the extent possible, the code must be adopted in terms of desired results instead of the means of achieving those results, avoiding wherever possible the incorporation of specifications of particular methods or materials. To that end the code must encourage the use of new methods and new materials. Except as otherwise provided in sections 326B.101 to 326B.194, the commissioner shall administer and enforce the provisions of those sections.

(b) The commissioner shall develop rules addressing the plan review fee assessed to similar buildings without significant modifications including provisions for use of building systems as specified in the industrial/modular program specified in section 326B.194. Additional plan review fees associated with similar plans must be based on costs commensurate with the direct and indirect costs of the service.

(c) Beginning with the 2018 edition of the model building codes and every six years thereafter, the commissioner shall review the new model building codes and adopt the model codes as amended for use in Minnesota, within two years of the published edition date. The commissioner may adopt amendments to the building codes prior to the adoption of the new building codes to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or the use of a building.

(d) Notwithstanding paragraph (c), the commissioner shall act on each new model residential energy code and the new model commercial energy code in accordance with federal law for which the United States Department of Energy has issued an affirmative determination in compliance with United States Code, title 42, section 6833. Beginning in 2022, the commissioner shall act on the new model commercial energy code by adopting each new

published edition of ASHRAE 90.1 or a more efficient standard, and amending it as necessary to achieve a minimum of eight percent energy efficiency with each edition, as measured against energy consumption by an average building in each applicable building sector in 2003. These amendments must achieve a net zero energy standard for new commercial buildings by 2036 and thereafter. The commissioner may adopt amendments prior to adoption of the new energy codes, as amended for use in Minnesota, to advance construction methods, technology, or materials, or, where necessary to protect the health, safety, and welfare of the public, or to improve the efficiency or use of a building.

Sec. 25. Minnesota Statutes 2020, section 326B.89, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Gross annual receipts" means the total amount derived from residential contracting or residential remodeling activities, regardless of where the activities are performed, and must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages intended for storage of vehicles associated with the residential real estate.

(e) "Fund" means the contractor recovery fund.

(f) "Owner" when used in connection with real property, means a person who has any legal or equitable interest in real property and includes a condominium or townhome association that owns common property located in a condominium building or townhome building or an associated detached garage. Owner does not include any real estate developer or any owner using, or intending to use, the property for a business purpose and not as owner-occupied residential real estate.

(g) "Cycle One" means the time period between July 1 and December 31.

(h) "Cycle Two" means the time period between January 1 and June 30.

Sec. 26. Minnesota Statutes 2020, section 326B.89, subdivision 5, is amended to read:

Subd. 5. **Payment limitations.** The commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than \$75,000 per licensee. The commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than ~~\$300,000~~ \$800,000 per licensee. The commissioner shall only pay compensation from the fund for a final judgment that is based on a contract directly between the licensee and the homeowner or lessee that was entered into prior to the cause of action and that requires licensure as a residential building contractor or residential remodeler.

Sec. 27. Minnesota Statutes 2020, section 326B.89, subdivision 9, is amended to read:

Subd. 9. **Satisfaction of applications for compensation.** The commissioner shall pay compensation from the fund to an owner or a lessee pursuant to the terms of an agreement that has been entered into under subdivision 7, clause (1), or pursuant to a final order that has been issued under subdivision 7, clause (2), or subdivision 8 by ~~December 1 of the fiscal year following the fiscal year during which the agreement was entered into or during which the order became final, subject to the limitations of this section. At the end of each fiscal year the commissioner shall calculate the amount of compensation to be paid from the fund pursuant to agreements that have been entered~~

~~into under subdivision 7, clause (1), and final orders that have been issued under subdivision 7, clause (2), or subdivision 8. If the calculated amount exceeds the amount available for payment, then the commissioner shall allocate the amount available among the owners and the lessees in the ratio that the amount agreed to or ordered to be paid to each owner or lessee bears to the amount calculated. The commissioner shall mail notice of the allocation to all owners and lessees not less than 45 days following the end of the fiscal year. 31 for applications submitted by July 1 or June 30 for applications submitted by January 1 of the fiscal year. The commissioner shall not pay compensation to owners or lessees that totals more than \$400,000 per licensee during Cycle One of a fiscal year nor shall the commissioner pay out during Cycle One if the payout will result in the exhaustion of a licensee's fund. If compensation paid to owners or lessees in Cycle One would total more than \$400,000 or would result in exhaustion of a licensee's fund in Cycle One, the commissioner shall not make a final determination of compensation for claims against the licensee until the completion of Cycle Two. If the claims against a licensee for the fiscal year result in the exhaustion of a licensee's fund or the fund as a whole, the commissioner must prorate the amount available among the owners and lessees based on the amount agreed to or ordered to be paid to each owner or lessee. The commissioner shall mail notice of the proration to all owners and lessees no later than March 31 of the current fiscal year. Any compensation paid by the commissioner in accordance with this subdivision shall be deemed to satisfy and extinguish any right to compensation from the fund based upon the verified application of the owner or lessee.~~

Sec. 28. **LAW ENFORCEMENT SUPERVISORS TRANSITION.**

(a) Until a negotiated collective bargaining agreement with an exclusive representative of the law enforcement supervisors unit established under Minnesota Statutes, section 179A.10, subdivision 2, clause (18), is approved under Minnesota Statutes, section 3.855:

(1) state patrol supervisors and enforcement supervisors employed by the Department of Natural Resources shall remain in the commissioner's plan;

(2) criminal apprehension investigative supervisors and other law enforcement supervisor positions currently in the general supervisory employees unit shall remain in the general supervisory employees unit represented by the Middle Management Association; and

(3) employees in positions to be included in the law enforcement supervisors unit shall be authorized to participate in certification elections for the law enforcement supervisors unit and any negotiation and collective bargaining activities of the law enforcement supervisors unit.

(b) In assigning positions included in the law enforcement supervisors unit, employees in positions under paragraph (a), clause (2), shall have the right to remain in the general supervisory employees unit represented by the Middle Management Association. If a group of employees exercises this right, the appropriate unit for such employees shall be the general supervisory employees unit represented by the Middle Management Association, and the commissioner shall assign them to such unit.

Sec. 29. **CAREER PATHWAY DEMONSTRATION PROGRAM.**

Subdivision 1. **Demonstration program.** A career pathway demonstration program is created to encourage, support, and continue student participation in a structured career pathway program.

Subd. 2. **Report.** On January 15, 2024, Independent School District No. 294, Houston, must submit a written report to the legislative committees having jurisdiction over education and workforce development describing students' experiences with the program. The report must document the program's spending, list the number of students participating in the program and entering the apprenticeship program, and make recommendations for improving support of career pathway programs statewide.

Sec. 30. **REPEALER.**

(a) Minnesota Statutes 2020, section 181.9414, is repealed.

(b) Minnesota Rules, part 5200.0080, subpart 7, is repealed effective August 1, 2021.

ARTICLE 9  
EARNED SICK AND SAFE TIME

Section 1. Minnesota Statutes 2020, section 181.942, subdivision 1, is amended to read:

Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence under section 181.941 is entitled to return to employment in the employee's former position or in a position of comparable duties, number of hours, and pay. An employee returning from a leave of absence longer than one month must notify a supervisor at least two weeks prior to return from leave. An employee returning from a leave under section 181.9412 or ~~181.9413~~ sections 181.9445 to 181.9448 is entitled to return to employment in the employee's former position.

(b) If, during a leave under sections 181.940 to 181.944, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system, including a system under a collective bargaining agreement, as if the employee had not taken the leave.

Sec. 2. **[181.9445] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of section 177.50 and sections 181.9445 to 181.9447, the terms defined in this section have the meanings given them.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of labor and industry or authorized designee or representative.

Subd. 3. **Domestic abuse.** "Domestic abuse" has the meaning given in section 518B.01.

Subd. 4. **Earned sick and safe time.** "Earned sick and safe time" means leave, including paid time off and other paid leave systems, that is paid at the same hourly rate as an employee earns from employment that may be used for the same purposes and under the same conditions as provided under section 181.9447.

Subd. 5. **Employee.** "Employee" means any person who is employed by an employer, including temporary and part-time employees, who performs work for at least 80 hours in a year for that employer in Minnesota. Employee does not include:

(1) an independent contractor; or

(2) an individual employed by an air carrier as a flight deck or cabin crew member who is subject to United States Code, title 45, sections 181 to 188, and who is provided with paid leave equal to or exceeding the amounts in section 181.9446.

Subd. 6. **Employer.** "Employer" means a person who has one or more employees. Employer includes an individual, a corporation, a partnership, an association, a business trust, a nonprofit organization, a group of persons, a state, county, town, city, school district, or other governmental subdivision. In the event that a temporary employee is supplied by a staffing agency, absent a contractual agreement stating otherwise, that individual shall be an employee of the staffing agency for all purposes of section 177.50 and sections 181.9445 to 181.9448.

Subd. 7. **Family member.** "Family member" means:

(1) an employee's:

(i) child, foster child, adult child, legal ward, or child for whom the employee is legal guardian;

(ii) spouse or registered domestic partner;

(iii) sibling, stepsibling, or foster sibling;

(iv) parent or stepparent;

(v) grandchild, foster grandchild, or stepgrandchild; or

(vi) grandparent or stepgrandparent;

(2) any of the family members listed in clause (1) of a spouse or registered domestic partner;

(3) any individual related by blood or affinity whose close association with the employee is the equivalent of a family relationship; and

(4) up to one individual annually designated by the employee.

Subd. 8. **Health care professional.** "Health care professional" means any person licensed under federal or state law to provide medical or emergency services, including doctors, physician assistants, nurses, and emergency room personnel.

Subd. 9. **Prevailing wage rate.** "Prevailing wage rate" has the meaning given in section 177.42 and as calculated by the Department of Labor and Industry.

Subd. 10. **Retaliatory personnel action.** "Retaliatory personnel action" means:

(1) any form of intimidation, threat, reprisal, harassment, discrimination, or adverse employment action, including discipline, discharge, suspension, transfer, or reassignment to a lesser position in terms of job classification, job security, or other condition of employment; reduction in pay or hours or denial of additional hours; the accumulation of points under an attendance point system; informing another employer that the person has engaged in activities protected by this chapter; or reporting or threatening to report the actual or suspected citizenship or immigration status of an employee, former employee, or family member of an employee to a federal, state, or local agency; and

(2) interference with or punishment for participating in any manner in an investigation, proceeding, or hearing under this chapter.

Subd. 11. **Sexual assault.** "Sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453 or 609.352.



Subd. 12. **Stalking.** "Stalking" has the meaning given in section 609.749.

Subd. 13. **Year.** "Year" means a regular and consecutive 12-month period, as determined by an employer and clearly communicated to each employee of that employer.

Sec. 3. **[181.9446] ACCRUAL OF EARNED SICK AND SAFE TIME.**

(a) An employee accrues a minimum of one hour of earned sick and safe time for every 30 hours worked up to a maximum of 48 hours of earned sick and safe time in a year. Employees may not accrue more than 48 hours of earned sick and safe time in a year unless the employer agrees to a higher amount.

(b) Employers must permit an employee to carry over accrued but unused sick and safe time into the following year. The total amount of accrued but unused earned sick and safe time for an employee must not exceed 80 hours at any time, unless an employer agrees to a higher amount.

(c) Employees who are exempt from overtime requirements under United States Code, title 29, section 213(a)(1), as amended through the effective date of this section, are deemed to work 40 hours in each workweek for purposes of accruing earned sick and safe time, except that an employee whose normal workweek is less than 40 hours will accrue earned sick and safe time based on the normal workweek.

(d) Earned sick and safe time under this section begins to accrue at the commencement of employment of the employee.

(e) Employees may use accrued earned sick and safe time beginning 90 calendar days after the day their employment commenced. After 90 days from the day employment commenced, employees may use earned sick and safe time as it is accrued. The 90-calendar-day period under this paragraph includes both days worked and days not worked.

Sec. 4. **[181.9447] USE OF EARNED SICK AND SAFE TIME.**

Subdivision 1. **Eligible use.** An employee may use accrued earned sick and safe time for:

(1) an employee's:

(i) mental or physical illness, injury, or other health condition;

(ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or

(iii) need for preventive medical or health care;

(2) care of a family member:

(i) with a mental or physical illness, injury, or other health condition;

(ii) who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or other health condition; or

(iii) who needs preventive medical or health care;

(3) absence due to domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the absence is to:

(i) seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(ii) obtain services from a victim services organization;

(iii) obtain psychological or other counseling;

(iv) seek relocation due to domestic abuse, sexual assault, or stalking; or

(v) seek legal advice or take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking;

(4) closure of the employee's place of business due to weather or other public emergency or an employee's need to care for a family member whose school or place of care has been closed due to weather or other public emergency; and

(5) when it has been determined by the health authorities having jurisdiction or by a health care professional that the presence of the employee or family member of the employee in the community would jeopardize the health of others because of the exposure of the employee or family member of the employee to a communicable disease, whether or not the employee or family member has actually contracted the communicable disease.

Subd. 2. **Notice.** An employer may require notice of the need for use of earned sick and safe time as provided in this paragraph. If the need for use is foreseeable, an employer may require advance notice of the intention to use earned sick and safe time but must not require more than seven days' advance notice. If the need is unforeseeable, an employer may require an employee to give notice of the need for earned sick and safe time as soon as practicable.

Subd. 3. **Documentation.** When an employee uses earned sick and safe time for more than three consecutive days, an employer may require reasonable documentation that the earned sick and safe time is covered by subdivision 1. For earned sick and safe time under subdivision 1, clauses (1) and (2), reasonable documentation may include a signed statement by a health care professional indicating the need for use of earned sick and safe time. For earned sick and safe time under subdivision 1, clause (3), an employer must accept a court record or documentation signed by a volunteer or employee of a victims services organization, an attorney, a police officer, or an antiviolence counselor as reasonable documentation. An employer must not require disclosure of details relating to domestic abuse, sexual assault, or stalking or the details of an employee's or an employee's family member's medical condition as related to an employee's request to use earned sick and safe time under this section.

Subd. 4. **Replacement worker.** An employer may not require, as a condition of an employee using earned sick and safe time, that the employee seek or find a replacement worker to cover the hours the employee uses as earned sick and safe time.

Subd. 5. **Increment of time used.** Earned sick and safe time may be used in the smallest increment of time tracked by the employer's payroll system, provided such increment is not more than four hours.

Subd. 6. **Retaliation prohibited.** An employer shall not take retaliatory personnel action against an employee because the employee has requested earned sick and safe time, used earned sick and safe time, requested a statement of accrued sick and safe time, or made a complaint or filed an action to enforce a right to earned sick and safe time under this section.

Subd. 7. **Reinstatement to comparable position after leave.** An employee returning from a leave under this section is entitled to return to employment in a comparable position. If, during a leave under this section, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave,

pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system, including a system under a collective bargaining agreement, as if the employee had not taken the leave.

**Subd. 8. Pay and benefits after leave.** An employee returning from a leave under this section is entitled to return to employment at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjustments in the employee's pay scale that occurred during the leave period. The employee returning from a leave is entitled to retain all accrued preleave benefits of employment and seniority as if there had been no interruption in service, provided that nothing under this section prevents the accrual of benefits or seniority during the leave pursuant to a collective bargaining or other agreement between the employer and employees.

**Subd. 9. Part-time return from leave.** An employee, by agreement with the employer, may return to work part time during the leave period without forfeiting the right to return to employment at the end of the leave, as provided under this section.

**Subd. 10. Notice and posting by employer.** (a) Employers must give notice to all employees that they are entitled to earned sick and safe time, including the amount of earned sick and safe time, the accrual year for the employee, and the terms of its use under this section; that retaliation against employees who request or use earned sick and safe time is prohibited; and that each employee has the right to file a complaint or bring a civil action if earned sick and safe time is denied by the employer or the employee is retaliated against for requesting or using earned sick and safe time.

(b) Employers must supply employees with a notice in English and other appropriate languages that contains the information required in paragraph (a) at commencement of employment or the effective date of this section, whichever is later.

(c) The means used by the employer must be at least as effective as the following options for providing notice:

(1) posting a copy of the notice at each location where employees perform work and where the notice must be readily observed and easily reviewed by all employees performing work; or

(2) providing a paper or electronic copy of the notice to employees.

The notice must contain all information required under paragraph (a). The commissioner shall create and make available to employers a poster and a model notice that contains the information required under paragraph (a) for their use in complying with this section.

(d) An employer that provides an employee handbook to its employees must include in the handbook notice of employee rights and remedies under this section.

**Subd. 11. Required statement to employee.** (a) Upon request of the employee, the employer must provide, in writing or electronically, current information stating the employee's amount of:

(1) earned sick and safe time available to the employee; and

(2) used earned sick and safe time.

(b) Employers may choose a reasonable system for providing the information in paragraph (a), including but not limited to listing information on each pay stub or developing an online system where employees can access their own information.

Subd. 12. **Employer records.** (a) Employers shall retain accurate records documenting hours worked by employees and earned sick and safe time taken and comply with all requirements under section 177.30.

(b) An employer must allow an employee to inspect records required by this section and relating to that employee at a reasonable time and place.

Subd. 13. **Confidentiality and nondisclosure.** (a) If, in conjunction with this section, an employer possesses:

(1) health or medical information regarding an employee or an employee's family member;

(2) information pertaining to domestic abuse, sexual assault, or stalking;

(3) information that the employee has requested or obtained leave under this section; or

(4) any written or oral statement, documentation, record, or corroborating evidence provided by the employee or an employee's family member, the employer must treat such information as confidential.

Information given by an employee may only be disclosed by an employer if the disclosure is requested or consented to by the employee, when ordered by a court or administrative agency, or when otherwise required by federal or state law.

(b) Records and documents relating to medical certifications, recertifications, or medical histories of employees or family members of employees created for purposes of section 177.50 or sections 181.9445 to 181.9448 must be maintained as confidential medical records separate from the usual personnel files. At the request of the employee, the employer must destroy or return the records required by sections 181.9445 to 181.9448 that are older than three years prior to the current calendar year.

(c) Employers must not discriminate against any employee based on records created for the purposes of section 177.50 or sections 181.9445 to 181.9448.

**Sec. 5. [181.9448] EFFECT ON OTHER LAW OR POLICY.**

Subdivision 1. **No effect on more generous sick and safe time policies.** (a) Nothing in sections 181.9445 to 181.9448 shall be construed to discourage employers from adopting or retaining earned sick and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9447.

(b) Nothing in sections 181.9445 to 181.9447 shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to earned sick and safe time policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section.

(c) Employers who provide earned sick and safe time to their employees under a paid time off policy or other paid leave policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in sections 181.9445 to 181.9448 are not required to provide additional earned sick and safe time.

(d) An employer may opt to satisfy the requirements of sections 181.9445 to 181.9448 for construction industry employees by:

(1) paying at least the prevailing wage rate as defined by section 177.42 and as calculated by the Department of Labor and Industry; or

(2) paying at least the required rate established in a registered apprenticeship agreement for apprentices registered with the Department of Labor and Industry.

An employer electing this option is deemed to be in compliance with sections 181.9445 to 181.9448 for construction industry employees who receive either at least the prevailing wage rate or the rate required in the applicable apprenticeship agreement regardless of whether the employees are working on private or public projects.

(e) Sections 181.9445 to 181.9448 do not prohibit an employer from establishing a policy whereby employees may donate unused accrued sick and safe time to another employee.

(f) Sections 181.9445 to 181.9448 do not prohibit an employer from advancing sick and safe time to an employee before accrual by the employee.

Subd. 2. **Termination; separation; transfer.** Sections 181.9445 to 181.9448 do not require financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned sick and safe time that has not been used. If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned sick and safe time accrued at the prior division, entity, or location and is entitled to use all earned sick and safe time as provided in sections 181.9445 to 181.9448. When there is a separation from employment and the employee is rehired within 180 days of separation by the same employer, previously accrued earned sick and safe time that had not been used must be reinstated. An employee is entitled to use accrued earned sick and safe time and accrue additional earned sick and safe time at the commencement of reemployment.

Subd. 3. **Employer succession.** (a) When a different employer succeeds or takes the place of an existing employer, all employees of the original employer who remain employed by the successor employer are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

(b) If, at the time of transfer of the business, employees are terminated by the original employer and hired within 30 days by the successor employer following the transfer, those employees are entitled to all earned sick and safe time accrued but not used when employed by the original employer, and are entitled to use all earned sick and safe time previously accrued but not used.

Sec. 6. **REPEALER.**

Minnesota Statutes 2020, section 181.9413, is repealed.

Sec. 7. **EFFECTIVE DATE.**

This article is effective 180 days following final enactment.

ARTICLE 10  
EARNED SICK AND SAFE TIME ENFORCEMENT

Section 1. Minnesota Statutes 2020, section 177.27, subdivision 2, is amended to read:

Subd. 2. **Submission of records; penalty.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may fine the employer up to ~~\$1,000~~ \$10,000 for each failure to submit or deliver records as required by this section, ~~and up to \$5,000 for each repeated failure.~~ This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 2. Minnesota Statutes 2020, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, and 181.9445 to 181.9448, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 3. Minnesota Statutes 2020, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, and compensatory damages, less any amount actually paid to the employee by the employer, and for an additional equal amount as liquidated damages. Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to a civil penalty of up to ~~\$1,000~~ \$10,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing damages.

Sec. 4. **[177.50] EARNED SICK AND SAFE TIME ENFORCEMENT.**

**Subdivision 1. Definitions.** The definitions in section 181.9445 apply to this section.

**Subd. 2. Rulemaking authority.** The commissioner may adopt rules to carry out the purposes of this section and sections 181.9445 to 181.9448.

**Subd. 3. Individual remedies.** In addition to any other remedies provided by law, a person injured by a violation of sections 181.9445 to 181.9448 may bring a civil action to recover general and special damages, along with costs, fees, and reasonable attorney fees, and may receive injunctive and other equitable relief as determined by a court. An action to recover damages under this subdivision must be commenced within three years of the violation of sections 181.9445 to 181.9448 that caused the injury to the employee.

**Subd. 4. Grants to community organizations.** The commissioner may make grants to community organizations for the purpose of outreach to and education for employees regarding their rights under sections 181.9445 to 181.9448. The community-based organizations must be selected based on their experience, capacity, and relationships in high-violation industries. The work under such a grant may include the creation and administration of a statewide worker hotline.

**Subd. 5. Report to legislature.** (a) The commissioner must submit an annual report to the legislature, including to the chairs and ranking minority members of any relevant legislative committee. The report must include, but is not limited to:

(1) a list of all violations of sections 181.9445 to 181.9448, including the employer involved, and the nature of any violations; and

(2) an analysis of noncompliance with sections 181.9445 to 181.9448, including any patterns by employer, industry, or county.

(b) A report under this section must not include an employee's name or other identifying information, any health or medical information regarding an employee or an employee's family member, or any information pertaining to domestic abuse, sexual assault, or stalking of an employee or an employee's family member.

**Subd. 6. Contract for labor or services.** It is the responsibility of all employers to not enter into any contract or agreement for labor or services where the employer has any actual knowledge or knowledge arising from familiarity with the normal facts and circumstances of the business activity engaged in, or has any additional facts or information that, taken together, would make a reasonably prudent person undertake to inquire whether, taken together, the contractor is not complying or has failed to comply with this section. For purposes of this subdivision, "actual knowledge" means information obtained by the employer that the contractor has violated this section within the past two years and has failed to present the employer with credible evidence that such noncompliance has been cured going forward.

**EFFECTIVE DATE.** This section is effective 180 days after final enactment.

ARTICLE 11  
EMERGENCY REHIRE AND RETENTION

Section 1. **DEFINITIONS.**

**Subdivision 1. Applicability.** For the purposes of sections 1 to 4, the following terms have the meanings given.

**Subd. 2. Air carrier.** "Air carrier" means a person undertaking by any means, directly or indirectly, to provide air transportation of persons, property, or mail.

Subd. 3. **Aircraft.** "Aircraft" means any contrivance invented, used, or designed for navigation of or flight in the air, but excluding parachutes.

Subd. 4. **Airport.** "Airport" means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, and all appurtenant rights-of-way, whether heretofore or hereafter established.

Subd. 5. **Airport authority.** "Airport authority" means an authority created pursuant to Minnesota Statutes, section 360.0426.

Subd. 6. **Airport facility management.** "Airport facility management" means a person directing or supervising airport management activities, including but not limited to:

- (1) information management;
- (2) building and property management;
- (3) civil services;
- (4) procurement and logistics management; and
- (5) legal services.

Subd. 7. **Airport hospitality operation.** (a) "Airport hospitality operation" means a business that:

(1) prepares, delivers, inspects, or provides any other service in connection with the preparation of food or beverage for aircraft crew or passengers at an airport; or

(2) provides food and beverage, retail, or other consumer goods or services to the public at an airport.

(b) Airport hospitality operation does not include an air carrier certificated by the Federal Aviation Administration.

Subd. 8. **Airport service provider.** (a) "Airport service provider" means a business that performs, under contract with a passenger air carrier, airport facility management, or airport authority, functions on the property of the airport that are directly related to the air transportation of persons, property, or mail, including but not limited to:

- (1) the loading and unloading of property on aircraft;
- (2) assistance to passengers under Code of Federal Regulations, title 14, part 382;
- (3) security;
- (4) airport ticketing and check-in functions;
- (5) ground-handling of aircraft;
- (6) aircraft cleaning and sanitization functions; or
- (7) airport authority.

(b) Airport service provider does not include an air carrier certificated by the Federal Aviation Administration.



Subd. 9. **Building service.** "Building service" means janitorial, building maintenance, or security services.

Subd. 10. **Business day.** "Business day" means Monday through Friday, excluding any holidays as defined in Minnesota Statutes, section 645.44.

Subd. 11. **Change in control.** "Change in control" means any sale, assignment, transfer, contribution, or other disposition of all or substantially all of the assets used in the operation of an enterprise or a discrete portion of the enterprise that continues in operation as an enterprise, or a controlling interest, including by consolidation, merger, or reorganization, of the incumbent employer or any person who controls the incumbent employer.

Subd. 12. **Declared emergency.** "Declared emergency" means a national security or peacetime emergency declared by the governor under Minnesota Statutes, section 12.31, a local emergency declared by the mayor of a municipality or the chair of a county board of commissioners under Minnesota Statutes, section 12.29, a federal public health emergency declared by the secretary of the federal Department of Health and Human Services, or a major disaster or national emergency declared by the president.

Subd. 13. **Eligible employee.** (a) "Eligible employee" means an individual:

(1) whose primary place of employment is at an enterprise subject to a change in control;

(2) who is employed directly by the incumbent employer, or by an employer who has contracted with the incumbent employer to provide services at the enterprise subject to a change in control; and

(3) who has worked for the incumbent employer for at least one month prior to the execution of the transfer document.

(b) Eligible employee does not include a managerial, supervisory, or confidential employee.

Subd. 14. **Employee.** "Employee" means an individual who performs services for hire for at least two hours in a particular week for an employer.

Subd. 15. **Employer.** "Employer" means any person who directly, indirectly, or through an agent or any other person, including through the services of a temporary service or staffing agency or similar entity, owns or operates an enterprise and employs one or more employees.

Subd. 16. **Enterprise.** "Enterprise" means a hotel, event center, airport hospitality operation, airport service provider, or the provision of building service to office, retail, or other commercial buildings.

Subd. 17. **Event center.** (a) "Event center" means a publicly or privately owned structure of more than 50,000 square feet or 2,000 seats that is used for the purposes of public performances, sporting events, business meetings, or similar events, and includes concert halls, stadiums, sports arenas, racetracks, coliseums, and convention centers.

(b) Event center also includes any contracted, leased, or sublet premises connected to or operated in conjunction with the event center's purpose, including food preparation facilities, concessions, retail stores, restaurants, bars, and structured parking facilities.

Subd. 18. **Hotel.** (a) "Hotel" means a building, structure, enclosure, or any part thereof:

(1) used as, maintained as, advertised as, or held out to be a place where sleeping accommodations, lodging, and other related services are furnished to the public; and

(2) containing 75 or more guest rooms, or suites of rooms, except adjoining rooms do not constitute a suite of rooms. The number of guest rooms, or suites of rooms, shall be calculated based on the room count on the opening of the hotel or on December 31, 2019, whichever is greater.

(b) Hotel also includes any contracted, leased, or sublet premises connected to or operated in conjunction with the hotel's purpose, or providing services thereat.

Subd. 19. **Incumbent employer.** "Incumbent employer" means a person who owns or operates an enterprise subject to a change in control prior to the change in control.

Subd. 20. **Laid-off employee.** "Laid-off employee" means any employee who was employed by the employer for six months or more in the 12 months preceding January 31, 2020, and whose most recent separation from actively performing services for hire occurred after January 31, 2020, and was due to a public health directive, government shutdown order, lack of business, a reduction in force, or other economic, nondisciplinary reason related to the declared emergency.

Subd. 21. **Length of service.** "Length of service" means the total of all periods of time during which an employee has actively been performing services for hire with the employer, including periods of time when the employee was on leave or on vacation.

Subd. 22. **Person.** "Person" means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, business trust, estate, trust, association, joint venture, agency, instrumentality, or any other legal or commercial entity, whether domestic or foreign.

Subd. 23. **Successor employer.** "Successor employer" means a person that owns or operates an enterprise subject to a change in control after the change in control.

Subd. 24. **Transfer document.** "Transfer document" means the purchase agreement or other documents creating a binding agreement to effect the change in control.

## **Sec. 2. EMERGENCY REHIRE AND RETENTION OF LAID-OFF EMPLOYEES.**

Subdivision 1. **Rehire and recall requirements.** (a) An employer shall offer its laid-off employees in writing, to their last known physical address, and by e-mail and text message to the extent the employer possesses such information, all job positions that become available after the effective date of this section for which the laid-off employees are qualified. A laid-off employee is qualified for a position if the employee either:

(1) held the same or similar position at the enterprise at the time of the employee's most recent separation from actively performing services for hire with the employer; or

(2) is or can be qualified for the position with the same training that would be provided to a new employee hired into that position.

(b) The employer shall offer positions to laid-off employees in an order of preference corresponding to paragraph (a), clauses (1) and (2). If more than one employee is entitled to preference for a position, the employer shall offer the position to the laid-off employee with the greatest length of service for the enterprise.

(c) A laid-off employee who is offered a position pursuant to this section shall be given at least five business days in which to accept or decline the offer. An employer may make simultaneous conditional offers of employment to laid-off employees, with a final offer of employment conditioned on application of the priority system in paragraph (b).

(d) An employer that declines to recall a laid-off employee on the grounds of lack of qualifications and instead hires someone other than a laid-off employee shall provide the laid-off employee a written notice within 30 days identifying those hired in lieu of that recall, along with all reasons for the decision.

(e) This section also applies in any of the following circumstances:

(1) the ownership of the employer changed after the separation from employment of a laid-off employee but the enterprise is conducting the same or similar operations as before the declared emergency;

(2) the form of organization of the employer changed after the declared emergency;

(3) substantially all of the assets of the employer were acquired by another entity which conducts the same or similar operations using substantially the same assets; or

(4) the employer relocates the operations at which a laid-off employee was employed before the declared emergency to a different location.

Subd. 2. **Successor employer and retention requirements.** (a)(1) The incumbent employer shall, within 15 days after the execution of a transfer document, provide to the successor employer the name, address, date of hire, and employment occupation classification of each eligible employee.

(2) The successor employer shall maintain a preferential hiring list of eligible employees identified by the incumbent employer under clause (1), and shall be required to hire from that list for a period beginning upon the execution of the transfer document and continuing for six months after the enterprise is open to the public under the successor employer.

(3) If the successor employer extends an offer of employment to an eligible employee, the successor employer shall retain written verification of that offer for at least three years from the date the offer was made. The verification shall include the name, address, date of hire, and employment occupation classification of each eligible employee.

(b)(1) A successor employer shall retain each eligible employee hired pursuant to this subdivision for no fewer than 90 days following the eligible employee's employment commencement date. During this 90-day transition employment period, eligible employees shall be employed under the terms and conditions established by the successor employer or as required by law. The successor employer shall provide eligible employees with a written offer of employment. This offer shall remain open for at least five business days from the date of the offer. A successor employer may make simultaneous conditional offers of employment to eligible employees, with a final offer of employment conditioned on application of the priority system set forth in clause (2).

(2) If, within the period established in paragraph (a), clause (2), the successor employer determines that it requires fewer eligible employees than were required by the incumbent employer, the successor employer shall retain eligible employees by seniority within each job classification to the extent that comparable job classifications exist.

(3) During the 90-day transition employment period, the successor employer shall not discharge without cause an eligible employee retained pursuant to this subdivision.

(4) At the end of the 90-day transition employment period, the successor employer shall perform a written performance evaluation for each eligible employee retained pursuant to this section. If the eligible employee's performance during the 90-day transition employment period is satisfactory, the successor employer shall consider offering the eligible employee continued employment under the terms and conditions established by the successor employer or as required by law. The successor employer shall retain a record of the written performance evaluation for a period of no fewer than three years.

(c)(1) The incumbent employer shall post written notice of the change in control at the location of the affected enterprise within five business days following the execution of the transfer document. Notice shall remain posted during any closure of the enterprise and for six months after the enterprise is open to the public under the successor employer.

(2) Notice shall include but not be limited to the name of the incumbent employer and its contact information, the name of the successor employer and its contact information, and the effective date of the change in control.

(3) Notice shall be posted in a conspicuous place at the enterprise so as to be readily viewed by eligible employees, other employees, and applicants for employment.

Subd. 3. **Employment protections.** No employer shall refuse to employ, terminate, reduce in compensation, or otherwise take any adverse action against any employee for seeking to enforce their rights under sections 1 to 4, by any lawful means, for participating in proceedings related to these sections, opposing any practice prescribed by these sections, or otherwise asserting rights under these sections. This subdivision also applies to any employee who mistakenly, but in good faith, alleges noncompliance with these sections.

Subd. 4. **Collective bargaining rights.** (a) All of the provisions in sections 1 to 4 may be waived in a valid collective bargaining agreement, but only if the waiver is explicitly set forth in that agreement in clear and unambiguous terms. Unilateral implementation of terms and conditions of employment by either party to a collective bargaining relationship shall not constitute or be permitted as a waiver of all or any part of the provisions of sections 1 to 4.

(b) Nothing in sections 1 to 4 limits the right of employees to bargain collectively with their employers through representatives of their own choosing to establish retention or rehiring conditions more favorable to the employees than those required by these sections.

### Sec. 3. **ENFORCEMENT AND COMPLIANCE.**

Subdivision 1. **Enforcement.** (a) An employee, including any eligible employee, may file an action in the Minnesota District Court, or may file a complaint with the Department of Labor and Industry, Labor Standards and Apprenticeship Division, against the employer, or in the case of a violation of section 2, subdivision 2, incumbent employer or the successor employer, for violations of section 2, and may be awarded any or all of the following, as appropriate:

(1) hiring and reinstatement rights pursuant to section 2, with the 90-day transition employment period not commencing until the eligible employee's employment commencement date with the successor employer;

(2) front pay or back pay for each day during which the violation continues, which shall be calculated at a rate of compensation not less than the highest of any of the following rates:

(i) the average regular rate of pay received by the employee or eligible employee during the last three years of that employee's employment in the same occupation classification;

(ii) the most recent regular rate received by the employee or eligible employee while employed by the employer, incumbent employer, or successor employer; or

(iii) the regular rate received by the individual in the position during the time that the employee or eligible employee should have been employed;

(3) value of the benefits the employee or eligible employee would have received under the employer or successor employer's benefit plan; or

(4) in an action brought in the district court, a prevailing employee shall be awarded reasonable attorneys' fees and costs.

(b) The Labor Standards and Apprenticeship Division shall investigate complaints filed under this section, and if an employer, incumbent employer, or successor employer is found to have violated section 2, the division shall determine and issue an award to an employee pursuant to paragraph (a).

(c) No criminal penalties shall be imposed for a violation of section 2.

(d) This subdivision shall not be construed to limit a discharged employee or eligible employee's right to pursue any other remedies available to an employee in law or equity.

Subd. 2. **Compliance.** The commissioner of labor and industry may issue a compliance order under Minnesota Statutes, section 177.27, subdivision 4, requiring an employer to comply with section 2.

Subd. 3. **Interaction with local law.** Nothing in this section shall prohibit a local government agency from enacting ordinances that impose greater standards than, or establish additional enforcement provisions to, those prescribed by this section.

Sec. 4. **CITATION.**

Sections 1 to 4 may be cited as the "Emergency Rehire and Retention Law."

Sec. 5. **EFFECTIVE DATES.**

Sections 1 to 4 are effective the day following final enactment and expire December 31, 2022.

ARTICLE 12  
ESSENTIAL WORKERS EMERGENCY LEAVE

Section 1. **ESSENTIAL WORKERS EMERGENCY LEAVE.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given.

(b) "Airport service provider" means a business other than an air carrier certificated by the Federal Aviation Administration, that performs, under contract with a passenger air carrier, airport facility management, or airport authority, functions on the property of the airport that are directly related to the air transportation of persons, property, or mail, including but not limited to:

- (1) the loading and unloading of property on aircraft;
- (2) assistance to passengers under Code of Federal Regulations, title 14, part 382;
- (3) security;
- (4) airport ticketing and check-in functions;
- (5) ground-handling of aircraft;
- (6) aircraft cleaning and sanitization functions; or
- (7) airport authority.

(c) "Child" means a biological, adopted, or foster child, stepchild, legal ward, or child for whom the essential worker is a legal guardian.

(d) "Emergency paid sick leave" means paid leave time provided under this section for a reason provided in subdivision 2 that is not:

(1) fully compensated through workers' compensation benefits or unemployment insurance benefits; or

(2) guaranteed to essential workers through other paid sick leave benefits under state law or federal law or an executive order related to COVID-19.

(e) "Essential worker" means a person who performs services for hire for an employer for one day or more, and who:

(1) is an emergency responder or health care provider as defined in Code of Federal Regulations, title 29, section 826.30(c), including but not limited to nurses, peace officers, firefighters, correctional institution personnel, emergency medical services personnel, and social workers;

(2) is a licensed or unlicensed employee employed by or under contract with:

(i) a hospital, boarding care home, or outpatient surgical center licensed under Minnesota Statutes, sections 144.50 to 144.56;

(ii) a nursing home licensed under Minnesota Statutes, sections 144A.01 to 144A.162;

(iii) a housing with services establishment registered under Minnesota Statutes, section 144D.02, and operating under Minnesota Statutes, sections 144G.01 to 144G.07;

(iv) the arranged home care provider of an establishment specified in item (iii);

(v) an unlicensed health care clinic; or

(vi) an unlicensed office of a physician or advanced practice registered nurse;

(3) is a public school employee;

(4) works for an airport service provider; or

(5) works for a private employer performing work in the following sectors:

(i) building service, including janitorial, building maintenance, and security services;

(ii) child care;

(iii) food service, including food manufacture, production, processing, preparation, sale, and delivery;

(iv) hotel accommodations;

(v) manufacturing; or

(vi) retail, including but not limited to sales, fulfillment, distribution, and delivery.

(f) "Employer" means a person who employs one or more essential workers, including but not limited to a corporation, partnership, limited liability company, association, group of persons, hospital, state, county, town, city, school district, or governmental subdivision, excluding the federal government.

(g) "Retaliatory personnel action" means any form of intimidation, threat, reprisal, harassment, discrimination, or adverse employment action, including discipline, discharge, suspension, transfer, or reassignment to a lesser position in terms of job classification, job security, or other condition of employment; reduction in pay or hours or denial of additional hours; the accumulation of points under an attendance point system; informing another employer that the person has engaged in activities protected by this section; or reporting or threatening to report the actual or suspected citizenship or immigration status of an employee, former employee, or family member of an employee to a federal, state, or local agency.

Subd. 2. **Emergency paid sick leave.** An employer shall provide emergency paid sick leave to an essential worker who is unable to work or telework due to any of the following reasons:

(1) the essential worker is subject to a federal, state, or local quarantine or isolation order related to COVID-19;

(2) the essential worker has been advised by a health care provider to self-quarantine due to concerns related to COVID-19;

(3) the essential worker is experiencing symptoms of COVID-19 and seeking a medical diagnosis;

(4) the essential worker is seeking or awaiting the results of a diagnostic test for, or a medical diagnosis of, COVID-19 and the essential worker has been exposed to COVID-19 or the essential worker's employer has requested a test or diagnosis;

(5) the essential worker is obtaining an immunization related to COVID-19 or recovering from an injury, disability, illness, or condition related to the immunization;

(6) the essential worker is caring for an individual who is subject to an order as described in clause (1) or has been advised as described in clause (2); or

(7) the essential worker is caring for a child of the essential worker if the school or place of care of the child has been closed, or the child care provider of the child is unavailable due to COVID-19 precautions.

Subd. 3. **Duration and use of leave.** (a) An essential worker is entitled to emergency paid sick leave as provided under this section for the following number of hours through March 31, 2021, and an equal number of hours for the period beginning April 1, 2021:

(1) up to 80 hours for an essential worker who:

(i) the employer considers to work full time;

(ii) works or was scheduled to work on average what are considered full-time hours by the employer, including pursuant to any applicable collective bargaining agreement; or

(iii) works or was scheduled to work at least 40 hours per week for the employer on average over a two-week period;

(2) a number of hours equal to the number of hours that an essential worker works for the employer on average over a two-week period for any essential worker who:

(i) the employer considers to work part time;

(ii) works or was scheduled to work on average what are considered part-time hours by the employer, including pursuant to any applicable collective bargaining agreement; or

(iii) works or was scheduled to work fewer than 40 hours per week for the employer on average over a two-week period; or

(3) 14 times the average number of hours an essential worker worked per day for the employer for the previous six months, or for the entire period the essential worker has worked for the employer, whichever is shorter, for an essential worker who works variable hours and who is not covered by clause (1) or (2).

(b) Leave under this section is available for use by an essential worker for a reason listed in subdivision 2 beginning the day following final enactment and may be used intermittently, provided that any amount of leave taken under this section ends with the essential worker's next scheduled work shift immediately following the termination of the essential worker's need for leave under a reason provided in subdivision 2.

(c) After the first workday or portion thereof that an essential worker receives leave under this section, an employer may require the essential worker to follow reasonable notice procedures to continue receiving leave.

(d) Leave under this section expires 30 days after a peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded.

**Subd. 4. Amount of compensation.** (a) An essential worker shall receive compensation for each hour of emergency paid sick leave received under this section in an amount that is the greater of:

(1) the essential worker's regular rate of pay for the essential worker's last pay period, including pursuant to any collective bargaining agreement that applies;

(2) the state minimum wage in effect under Minnesota Statutes, section 177.24; or

(3) the local minimum wage to which the essential worker is entitled.

(b) In no event shall emergency paid sick time provided under this section exceed \$511 per day, nor shall emergency paid sick time provided under this section exceed \$5,110 in the aggregate for the period ending March 31, 2021, or \$5,110 in the aggregate for the period beginning April 1, 2021.

(c) Unused or remaining leave under this section shall not carry over past the expiration of this section.

(d) Nothing in this section shall be construed to require financial or other reimbursement to an essential worker from an employer upon the essential worker's termination, resignation, retirement, or other separation from employment for emergency paid sick time under this section that has not been used by the essential worker.

**Subd. 5. Relationship to other leave.** (a) Except as provided in paragraph (c), emergency paid sick leave under this section is in addition to any paid or unpaid leave provided to an essential worker by an employer under a collective bargaining agreement, negotiated agreement, contract, or any other employment policy.

(b) An essential worker may use leave provided under this section first, and except as provided in paragraph (c), an employer shall not require an essential worker to use other paid or unpaid leave provided by the employer before the essential worker uses the leave provided under this section or in lieu of the leave provided under this section.



(c) Notwithstanding paragraphs (a) and (b), if an employer has already provided an essential worker with additional paid leave for any reason provided in subdivision 2, and the leave was in addition to the regular amount of paid leave provided by the employer and compensated the essential worker in an amount equal to or greater than the amount of compensation provided under this section, the employer may credit the other additional paid leave toward the total number of hours of emergency paid sick leave required under this section; provided, however, that if the other paid leave compensated the essential worker at an amount less than the amount of compensation provided under this section, the employer is required to comply with this section to the extent of the deficiency to receive the credit under this paragraph.

(d) An employer shall provide notice to essential workers of the requirements for emergency paid sick leave provided under this section.

(e) Nothing in this section is deemed:

(1) to limit the rights of an essential worker or employer under any law, rule, regulation, or collectively negotiated agreement, or the rights and benefits that accrue to essential workers through collective bargaining agreements, or the rights of essential workers with respect to any other employment benefits; or

(2) to prohibit any personnel action that otherwise would have been taken regardless of a request to use, or use of, any leave provided by this section.

(f) Nothing in this section shall prevent an employer from providing, or the parties to a collective bargaining agreement from agreeing to, leave benefits that meet or exceed and do not otherwise conflict with the requirements for emergency paid sick leave under this section.

**Subd. 6. Nursing home reimbursement for emergency paid sick leave benefits.** Nursing homes reimbursed under Minnesota Statutes, chapter 256R, may apply for reimbursement for emergency paid sick leave costs described in this section from the commissioner of human services under Minnesota Statutes, section 12A.10, subdivision 1, for expenses incurred. The emergency paid sick leave expenses under this section are not allowable costs under Minnesota Statutes, chapter 256R.

**Subd. 7. Requirements and enforcement.** (a) An employer shall not take any retaliatory personnel action against an essential worker for requesting or obtaining emergency paid sick leave under this section or for bringing a complaint related to this section, including a proceeding that seeks enforcement of this section.

(b) The Department of Labor and Industry shall enforce this section. The commissioner has the authority provided under Minnesota Statutes, section 177.27, subdivision 4, including the authority to issue an order requiring an employer to comply with this section. The commissioner may investigate complaints of violations of this section as necessary to determine whether a violation has occurred. If the commissioner finds that an employer has violated this section, the commissioner shall fine the employer up to \$1,000 for each willful violation for each essential worker.

**EFFECTIVE DATE.** This section is effective:

(1) the day following final enactment for essential workers hired by an employer on or after the day following final enactment of this section; and

(2) retroactively from March 13, 2020, for essential workers who were employed on or after March 13, 2020, and are currently employed as of the day following final enactment or May 17, 2021, whichever is earlier.

Subdivisions 1 to 6 sunset on September 30, 2021, or 30 days after a peacetime emergency declared by the governor in an executive order that relates to the infectious disease known as COVID-19 is terminated or rescinded, whichever is later. Subdivision 7 sunsets June 30, 2023.

ARTICLE 13  
SAFE WORKPLACES FOR MEAT AND POULTRY  
PROCESSING WORKERS

Section 1. **[179.87] TITLE.**

Sections 179.87 to 179.8757 may be titled the Safe Workplaces for Meat and Poultry Processing Workers Act.

Sec. 2. **[179.871] DEFINITIONS.**

Subdivision 1. **Definitions.** For purposes of sections 179.87 to 179.8757, the terms in this section have the meanings given.

Subd. 2. **Authorized employee representative.** "Authorized employee representative" has the meaning given in section 182.651, subdivision 22.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of labor and industry or the commissioner's designee.

Subd. 4. **Coordinator.** "Coordinator" means the meatpacking industry worker rights coordinator or the coordinator's designee.

Subd. 5. **Meat-processing worker.** "Meat-processing worker" or "worker" means any individual who a meat-processing employer suffers or permits to work directly in contact with raw meatpacking products in a meatpacking operation, including independent contractors and persons performing work for an employer through a temporary service or staffing agency.

Subd. 6. **Meatpacking operation.** "Meatpacking operation" or "meat-processing employer" means a business in which slaughtering, butchering, meat canning, meatpacking, meat manufacturing, poultry canning, poultry packing, poultry manufacturing, pet food manufacturing, egg production, processing of meatpacking products, or rendering occurs. Meatpacking operation or meat-processing employer does not mean a grocery store, deli, restaurant, or other business preparing meat or poultry products for immediate consumption.

Subd. 7. **Meatpacking products.** "Meatpacking products" means meat food products and poultry food products as defined in section 31A.02, subdivision 10.

Subd. 8. **Public health emergency.** "Public health emergency" means a peacetime emergency declared by the governor under section 12.31, a federal public health emergency declared by the secretary of the Department of Health and Human Services, or a national emergency declared by the president due to infectious disease or another significant threat to public health.

Sec. 3. **[179.8715] WORKER RIGHTS COORDINATOR.**

(a) The commissioner must appoint a meatpacking industry worker rights coordinator in the Department of Labor and Industry and provide the coordinator with necessary office space, furniture, equipment, supplies, and assistance.

(b) The coordinator must enforce sections 179.87 to 179.8757, including inspecting, reviewing, and recommending improvements to the practices and procedures of meatpacking operations in Minnesota. A meat-processing employer must grant the coordinator full access to all meatpacking operations in this state at any time that meatpacking products are being processed or meat-processing workers are on the job.

(c) No later than December 1 each year, the coordinator must submit a report to the governor and the chairs and ranking minority members of the legislative committees with jurisdiction over labor. The report must include recommendations to promote better treatment of meat-processing workers. The coordinator shall also post the report on the Department of Labor and Industry's website.

Sec. 4. **[179.872] REFUSAL TO WORK UNDER DANGEROUS CONDITIONS.**

(a) A meat-processing worker has a right to refuse to work under conditions that the worker reasonably believes would expose the worker, other workers, or the public to an unreasonable risk of illness or injury, or exposure to illness or injury, including the infectious disease known as COVID-19.

(b) A meat-processing employer must not discriminate or take adverse action against any worker for a good faith refusal to work if the worker has requested that the employer correct a hazardous condition and that condition remains uncorrected.

(c) A meat-processing worker who has refused in good faith to work under paragraph (a) or (b) and who has not been reassigned to other work by the meat-processing employer must, in addition to retaining a right to continued employment, continue to be paid by the employer for the hours that would have been worked until such time as the meat-processing employer can demonstrate that the condition has been remedied.

Sec. 5. **[179.874] UNEMPLOYMENT INSURANCE; DANGEROUS MEAT PACKING CONDITIONS.**

(a) Notwithstanding any law to the contrary, the provisions of this section govern unemployment insurance claims for meat-processing workers.

(b) An individual who left employment because a meat-processing employer failed to cure a working condition that made the work environment unsuitable for health or safety reasons has good cause for leaving employment.

(c) During a public health emergency, an individual must not be required to prove that a working condition that made the environment unsuitable for health or safety reasons was unique to the worker or that the risk was not customary to the worker's occupation.

(d) An individual must be deemed to have exhausted reasonable alternatives to leaving if the individual, authorized employee representative, or another employee notified the meat-processing employer of the unsafe or unhealthy working condition and the employer did not cure it or if the employer knew or should have had reason to know that the condition made the work environment unsuitable and did not cure it.

(e) During a public health emergency, an individual has good cause to leave employment if the individual leaves to care for a seriously ill or quarantined family or household member.

(f) An individual has good cause to refuse an offer of employment or reemployment if the meat-processing employer has not cured a working condition that makes the work environment unsuitable for health or safety reasons, including any condition that required the workplace to close or reduce operations pursuant to a state or federal executive order issued during a public health emergency.

(g) An individual has good cause to refuse an offer of employment or reemployment from a meat-processing employer if the conditions of work would require the individual to violate government public health guidance or to assume an unreasonable health risk.

(h) An individual has good cause to refuse an offer of employment or reemployment from a meat-processing employer if the individual is required to care for a child whose school is closed due to a public health emergency or if the individual is required to otherwise care for a family or household member during a public health emergency.

Sec. 6. **[179.875] ENFORCEMENT AND COMPLIANCE.**

**Subdivision 1. Administrative enforcement.** The coordinator, either on the coordinator's initiative or in response to a complaint, may inspect a meatpacking operation and subpoena records and witnesses. If a meat-processing employer does not comply with the coordinator's inspection, the coordinator may seek relief as provided in this section.

**Subd. 2. Compliance authority.** The commissioner of labor and industry may issue a compliance order under section 177.27, subdivision 4, requiring an employer to comply with sections 179.87 to 179.8757.

**Subd. 3. Private civil action.** If a meat-processing employer does not comply with a provision in sections 179.87 to 179.8757, an aggrieved worker, authorized employee representative, or other person may bring a civil action in a court of competent jurisdiction within three years of an alleged violation and, upon prevailing, must be awarded the relief provided in this section. Pursuing administrative relief is not a prerequisite for bringing a civil action.

**Subd. 4. Other government enforcement.** The attorney general may enforce sections 179.87 to 179.8757 under section 8.31. A city or county attorney may also enforce these sections. Such law enforcement agencies may inspect meatpacking operations and subpoena records and witnesses and, where such agencies determine that a violation has occurred, may bring a civil action as provided in this section.

**Subd. 5. Relief.** (a) In a civil action or administrative proceeding brought to enforce sections 179.87 to 179.8757, the court or coordinator must order relief as provided in this subdivision.

(b) For any violation of sections 179.87 to 179.8757:

(1) an injunction to order compliance and restrain continued violations, including through a stop work order or business closure;

(2) payment to a prevailing worker by a meat-processing employer of reasonable costs, disbursements, and attorney fees; and

(3) a civil penalty payable to the state of not less than \$100 per day per worker affected by the meat-processing employer's noncompliance with sections 179.87 to 179.8757.

(c) For any violation of section 179.872:

(1) reinstatement of the worker to the same position held before any adverse personnel action or to an equivalent position, reinstatement of full fringe benefits and seniority rights, and compensation for unpaid wages, benefits and other remuneration, or front pay in lieu of reinstatement; and

(2) compensatory damages payable to the aggrieved worker equal to the greater of \$5,000 or twice the actual damages, including unpaid wages, benefits and other remuneration, and punitive damages.

**Subd. 6. Whistleblower enforcement; penalty distribution.** (a) The relief provided in this section may be recovered through a private civil action brought on behalf of the commissioner in a court of competent jurisdiction by another individual, including an authorized employee representative, pursuant to this subdivision.

(b) The individual must give written notice to the coordinator of the specific provision or provisions of sections 179.87 to 179.8757 alleged to have been violated. The individual or representative organization may commence a civil action under this subdivision if no enforcement action is taken by the coordinator within 30 days.

(c) Civil penalties recovered pursuant to this subdivision must be distributed as follows:

(1) 70 percent to the commissioner for enforcement of sections 179.87 to 179.8757; and

(2) 30 percent to the individual or authorized employee representative.

(d) The right to bring an action under this subdivision shall not be impaired by private contract. A public enforcement action must be tried promptly, without regard to concurrent adjudication of a private claim for the same alleged violation.

Sec. 7. **[179.8755] RETALIATION AGAINST EMPLOYEES AND WHISTLEBLOWERS PROHIBITED.**

(a) No meat-processing employer or other person may discriminate or take adverse action against any worker or other person who raises a concern about meatpacking operation health and safety practices or hazards to the employer, the employer's agent, other workers, a government agency, or to the public, including through print, online, social, or any other media.

(b) If an employer or other person takes adverse action against a worker or other person within 90 days of the worker's or person's engagement or attempt to engage in activities protected by sections 179.87 to 179.8757, such conduct raises a presumption that the action is retaliatory. The presumption may be rebutted by clear and convincing evidence that the action was taken for other permissible reasons.

(c) No meat-processing employer or other person may attempt to require any worker to sign a contract or other agreement that would limit or prevent the worker from disclosing information about workplace health and safety practices or hazards, or to otherwise abide by a workplace policy that would limit or prevent such disclosures. Any such agreements or policies are hereby void and unenforceable as contrary to the public policy of this state. An employer's attempt to impose such a contract, agreement, or policy shall constitute an adverse action enforceable under sections 179.87 to 179.8757.

(d) Reporting or threatening to report a meat-processing worker's suspected citizenship or immigration status, or the suspected citizenship or immigration status of a family member of the worker, to a federal, state, or local agency because the worker exercises a right under sections 179.87 to 179.8757 constitutes an adverse action for purposes of establishing a violation of that worker's rights. For purposes of this paragraph, "family member" means a spouse, parent, sibling, child, uncle, aunt, niece, nephew, cousin, grandparent, or grandchild related by blood, adoption, marriage, or domestic partnership.

(e) Any worker who brings a complaint under sections 179.87 to 179.8757 and suffers retaliation is entitled to treble damages in addition to lost pay and recovery of attorney fees and costs.

(f) Any company who is found to have retaliated against a food processing worker must pay a fine of up to \$5,000 to the commissioner.

Sec. 8. **[179.8756] MEATPACKING WORKER CHRONIC INJURIES AND WORKPLACE SAFETY.**

Subdivision 1. **Safe worker program required; facility committee.** (a) Meat-processing employers must adopt a safe worker program as part of the employer's work accident and injury reduction program to minimize and prevent musculoskeletal disorders. For purposes of this section, "musculoskeletal disorders" includes carpal tunnel syndrome, tendinitis, rotator cuff injuries, trigger finger, epicondylitis, muscle strains, and lower back injuries.

(b) The meat-processing employer's safe worker program must be developed and implemented by a committee of individuals who are knowledgeable of the tasks and work processes performed by workers at the employer's facility. The committee must include:

(1) a certified professional ergonomist;

(2) a licensed, board-certified physician, with preference given to a physician who has specialized experience and training in occupational medicine, or if it is not practicable for a physician to be a member of the committee, the employer must ensure that its safe worker program is reviewed and approved by a licensed, board-certified physician, with preference given to a physician who has specialized experience and training in occupational medicine; and

(3) at least three workers employed in the employer's facility who have completed a general industry outreach course approved by the commissioner, one of whom must be an authorized employee representative if the employer is party to a collective bargaining agreement.

**Subd. 2. Program elements.** (a) The committee must establish written procedures to identify ergonomic hazards and contributing risk factors, which must include:

(1) the ergonomic assessment tools used to measure ergonomic hazards;

(2) all jobs where the committee has an indication or knowledge that ergonomic hazards may exist; and

(3) workers who perform the same job or a sample of workers in that job who have the greatest exposure to the ergonomic hazard.

(b) The committee must conduct ergonomic assessments to identify hazards and contributing risk factors; review all surveillance data at least quarterly to identify ergonomic hazards and contributing risk factors; and maintain records of the hazard identification process, which, at a minimum, must include the completed ergonomic assessment tools, the results of the ergonomic assessments including the jobs and workers evaluated, and the assessment dates.

(c) The committee must implement a written ergonomic hazard prevention and control plan to identify and select methods to eliminate, prevent, or control the ergonomic hazards and contributing risk factors. The plan must:

(1) set goals, priorities, and a timeline to eliminate, prevent, or control the ergonomic hazards and contributing risk factors identified;

(2) identify the person or persons responsible for ergonomic hazard assessments and implementation of controls;

(3) rely upon the surveillance data and the ergonomic risk assessment results; and

(4) take into consideration the severity of the risk, the numbers of workers at risk, and the likelihood that the intervention will reduce the risk.

(d) A meat-processing employer must control, reduce, or eliminate ergonomic hazards which lead to musculoskeletal disorders to the extent feasible by using engineering, work practice, and administrative controls.

(e) The committee must monitor at least annually the implementation of the plan including the effectiveness of controls and evaluate progress in meeting program goals.

**Subd. 3. New employee training.** (a) A meat-processing employer must work with the committee to provide each new employee with information regarding:

(1) the committee and its members;

(2) the facility's hazard prevention and control plan;

(3) early signs and symptoms of musculoskeletal injuries and the procedures for reporting them;

(4) procedures for reporting other injuries and hazards;

(5) engineering and administrative hazard controls implemented in the workplace, including ergonomic hazard controls; and

(6) the availability and use of personal protective equipment.

(b) A meat-processing employer must work with the committee and ensure that new workers receive safety training prior to starting a job that the worker has not performed before. The employer must provide the safety training during working hours and compensate the new employee at the employee's standard rate of pay. The employer also must give a new employee an opportunity within 30 days of the employee's hire date to receive a refresher training on the topics covered in the new worker safety training. The employer must provide new employee training in a language and with vocabulary that the employee can understand.

Subd. 4. **New task and annual safety training.** (a) Meat-processing employers must provide every worker who is assigned a new task if the worker has no previous work experience with training on how to safely perform the task, the ergonomic and other hazards associated with the task, and training on the early signs and symptoms of musculoskeletal injuries and the procedures for reporting them. The employer must give a worker an opportunity within 30 days of receiving the new task training to receive refresher training on the topics covered in the new task training. The employer must provide this training in a language and with vocabulary that the employee can understand.

(b) Meat-processing employers must provide each worker with no less than eight hours of safety training each year. This annual training must address health and safety topics that are relevant to the establishment, such as cuts, lacerations, amputations, machine guarding, biological hazards, lockout/tagout, hazard communication, ergonomic hazards, and personal protective equipment. At least two of the eight hours of annual training must be on topics related to the facility's ergonomic injury prevention program, including the assessment of surveillance data, the ergonomic hazard prevention and control plan, and the early signs and symptoms of musculoskeletal disorders and the procedures for reporting them. The employer must provide this training in a language and with vocabulary that the employee can understand.

Subd. 5. **Attestation and record keeping.** Meat-processing employers must maintain a written attestation dated and signed by each person who provides training and each employee who receives training pursuant to this section. This attestation must certify that the employer has provided training consistent with the requirements of this section. The employer must ensure that these records are up to date and available to the commissioner, the coordinator, and the authorized employee representative upon request.

Subd. 6. **Medical services and qualifications.** (a) Meat-processing employers must ensure that:

(1) all first-aid providers, medical assistants, nurses, and physicians engaged by the employer are licensed and perform their duties within the scope of their licensed practice;

(2) medical management of musculoskeletal disorders is under direct supervision of a licensed physician specializing in occupational medicine who will advise on best practices for management and prevention of work-related musculoskeletal disorders; and

(3) medical management of musculoskeletal injuries follows the most current version of the American College of Occupational and Environmental Medicine practice guidelines.

(b) Meat-processing employers must make a record of all worker visits to medical or first aid personnel, regardless of severity or type of illness or injury, and make these records available to the coordinator and the authorized employee representative.

(c) Meat-processing employers must maintain records of all ergonomic injuries suffered by workers for at least five years.

(d) The coordinator may compile, analyze, and publish annually, either in summary or detailed form, all reports or information obtained under sections 179.87 to 179.8757, including information about safe worker programs, and may cooperate with the United States Department of Labor in obtaining national summaries of occupational deaths, injuries, and illnesses. The coordinator must preserve the anonymity of each employee with respect to whom medical reports or information is obtained.

(e) Meat-processing employers must not institute or maintain any program, policy, or practice that discourages employees from reporting injuries, hazards, or safety standard violations.

Subd. 7. **Rulemaking required.** The commissioner must adopt rules requiring employers to maintain accurate records of meat-processing worker exposure to ergonomic hazards.

Subd. 8. **Pandemic protections.** (a) This subdivision applies during a peacetime public health emergency declared under section 12.31, subdivision 2.

(b) Meat-processing employers must maintain at least a six-foot radius of space around and between each worker. An employer may accomplish such distancing by increasing physical space between workstations, slowing production speeds, staggering shifts and breaks, adjusting shift size, or a combination thereof. The employer must reconfigure common or congregate spaces to allow for such distancing, including lunch rooms, break rooms, and locker rooms. The coordinator must reinforce social distancing by allowing workers to maintain six feet of distance along with the use of plastic barriers.

(c) Meat-processing employers must provide employees with face masks and must make face shields available on request. Face masks, including replacement face masks, and face shields must be provided at no cost to the employee. All persons present at the meatpacking operation must wear face masks in the facility except in those parts of the facility where infection risk is low because workers work in isolation.

(d) Meat-processing employers must provide all meat-processing workers with the ability to frequently and routinely sanitize their hands with either hand-washing or hand-sanitizing stations. The employer must ensure that restrooms have running hot and cold water and paper towels and are in sanitary condition. The employer must provide gloves to those who request them.

(e) Meat-processing employers must clean and regularly disinfect all frequently touched surfaces in the workplace, such as workstations, training rooms, machinery controls, tools, protective garments, eating surfaces, bathrooms, showers, and other similar areas. Employers must install and maintain ventilation systems that ensure unidirectional air flow, outdoor air, and filtration in both production areas and common areas such as cafeterias and locker rooms.

(f) Meat-processing employers must disseminate all required communications, notices, and any published materials regarding these protections in English, Spanish, and other languages as required for employees to understand the communication.

(g) Meat-processing employers must provide adequate break time for workers to use the bathroom, wash their hands, and don and doff protective equipment.



(h) Meat-processing employers must provide sufficient personal protective equipment for each employee for each shift, plus replacements, at no cost to the employee. Meat-processing employers must provide training in proper use of personal protective equipment, safety procedures, and sanitation.

(i) As part of the meat-processing employer's accident, injury, and illness reduction program, the employer must create a health and safety committee consisting of equal parts company management, employees, and authorized employee representatives. The health and safety committee must meet at least twice a year and present results to the commissioner. If the meatpacking operation has no collective bargaining agreement, a local labor representative must be appointed.

(j) Meat-processing employers must record all injuries and illnesses in the facility and make these records available upon request to the health and safety committee. The employer also must make its records available to the commissioner, and where there is a collective bargaining agreement, to the authorized bargaining representative.

(k) Meat-processing employers must provide paid sick time for workers to recuperate from illness or injury or to care for ill family members. For purposes of this paragraph, "family member" includes:

(1) biological, adopted, or foster children, stepchildren, children of domestic partners or spouses, and legal wards of workers;

(2) biological parents, stepparents, foster parents, adoptive parents, or legal guardians of a worker or a worker's spouse or domestic partner;

(3) a worker's legally married spouse or domestic partner as registered under the laws of any state or political subdivision;

(4) a worker's grandparent, whether from a biological, step-, foster, or adoptive relationship;

(5) a worker's grandchild, whether from a biological, step-, foster, or adoptive relationship;

(6) a worker's sibling, whether from a biological, step-, foster, or adoptive relationship; and

(7) any other individual related by blood or affinity to the worker whose association with the worker is the equal of a family relationship.

(l) All meat-processing workers must accrue at least one hour of paid sick time for every 30 hours worked. For purposes of this paragraph, paid sick time means time that is compensated at the same hourly rate, including the same benefits, as is normally earned by the worker.

(m) Meat-processing employers may provide all paid sick time a worker is expected to accrue at the beginning of the year or at the start of the worker's employment.

(n) Meat-processing employers must carry an employee's earned paid sick time over into the following calendar year. If a worker does not wish to carry over sick time, the meat-processing employer must pay the worker for accrued sick time. If a worker chooses to receive pay in lieu of carried-over sick time, the employer must provide the worker with an amount of paid sick time that meets or exceeds the requirements of sections 179.87 to 179.8757, to be available for the worker's immediate use at the start of the following calendar year.

(o) Meat-processing employers must maintain records for at least three years showing hours worked and paid sick time accrued and used by workers. Employers must allow the commissioner and coordinator access to these records in order to ensure compliance with the requirements of sections 179.87 to 179.8757.

(p) If a meat-processing employer transfers a worker to another division or location of the same meat-processing employer, the worker is entitled to all earned paid sick time accrued in the worker's previous position. If a worker is separated from employment and rehired within one year by the same meat-processing employer, the meat-processing employer must reinstate the worker's earned sick time to the level accrued by the worker as of the date of separation.

(q) If a meat-processing employer is succeeded by a different employer, all workers of the original employer are entitled to all earned paid sick time they accrued when employed by the original employer.

(r) Meat-processing employers must not require workers to find or search for a replacement worker to take the place of the worker as a condition of the worker using paid sick time.

(s) Meat-processing employers must not require workers to disclose details of private matters as a condition of using paid sick time, including details of a worker or family member's illness, domestic violence, sexual abuse or assault, or stalking and harassment. If the employer does possess such information, it must be treated as confidential and not disclosed without the express permission of the worker.

(t) Meat-processing employers must provide workers written notice of their rights and the employer's requirements under this section at the time the worker begins employment. This notice must be provided in English, Spanish, or the employee's language of fluency. The amount of paid sick time a worker has accrued, the amount of paid sick time a worker has used during the current year, and the amount of pay the worker has received as paid sick time must be recorded on or attached to the worker's paycheck. Meat-processing employers must display a poster in a conspicuous location in each facility where workers are employed that displays the information required under this paragraph. The poster must be displayed in English and any language of fluency that is read or spoken by at least five percent of the employer's workers.

(u) Nothing in this subdivision shall be construed to:

(1) prohibit or discourage an employer from adopting or retaining a paid sick time policy that is more generous than the one provided in this subdivision;

(2) diminish the obligation of an employer to comply with a collective bargaining agreement, or any other contract that provides more generous paid sick time to a worker than provided for in this subdivision; or

(3) override any provision of local law that provides greater rights for paid sick time than is provided for in this subdivision.

Subd. 9. **Small processor exemption.** Meat-processing operations having 50 or fewer employees are exempt from the requirements of this section.

Sec. 9. **[179.8757] NOTIFICATION REQUIRED.**

(a) Meat-processing employers must provide written information and notifications about employee rights under section 179.86 and sections 179.87 to 179.8757 to workers in their language of fluency at least annually. If a worker is unable to understand written information and notifications, the employer must provide such information and notices orally in the worker's language of fluency.

(b) The coordinator must notify covered employers of the provisions of sections 179.87 to 179.8757 and any recent updates at least annually.

(c) The coordinator must place information explaining sections 179.87 to 179.8757 on the Department of Labor and Industry's website in at least English, Spanish, and any other language that at least ten percent of meat-processing workers communicate in fluently. The coordinator must also make the information accessible to persons with impaired visual acuity."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for jobs and economic development; establishing paid medical leave benefits; modifying unemployment insurance benefits; making policy and technical changes to programs administered by the departments of employment and economic development, labor and industry, and Bureau of Mediation Services; providing earned sick and safe time leave; providing emergency leave for essential workers; establishing an emergency rehire and retention program; establishing safe workplaces for meat and poultry processing workers; providing penalties; authorizing rulemaking; classifying data; requiring reports; amending Minnesota Statutes 2020, sections 13.719, by adding a subdivision; 13.7905, subdivision 6, by adding a subdivision; 116J.035, subdivision 6; 116J.431, subdivision 2, by adding a subdivision; 116J.8748, subdivision 3; 116J.994, subdivision 6; 116L.02; 116L.03, subdivisions 1, 2, 3; 116L.05, subdivision 5; 116L.17, subdivisions 1, 4; 116L.20, subdivision 2, by adding a subdivision; 116L.40, subdivisions 5, 6, 9, 10, by adding a subdivision; 116L.41, subdivisions 1, 2, by adding subdivisions; 116L.42, subdivisions 1, 2; 116L.98, subdivisions 1, 2, 3; 177.24, by adding a subdivision; 177.27, subdivisions 2, 4, 7; 178.012, subdivision 1; 179A.10, subdivisions 2, 3; 181.032; 181.53; 181.939; 181.940, subdivisions 2, 3; 181.942, subdivision 1; 182.66, by adding a subdivision; 182.666, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 256J.561, by adding a subdivision; 256J.95, subdivisions 3, 11; 256P.01, subdivision 3; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a, 7; 268.101, subdivision 2; 268.133; 268.136, subdivision 1; 268.19, subdivision 1; 326B.07, subdivision 1; 326B.092, subdivision 7; 326B.106, subdivision 1; 326B.89, subdivisions 1, 5, 9; Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7, article 1, sections 2, subdivision 2, as amended; 3, subdivision 4; article 2, section 8; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 177; 179; 181; 181A; 299F; proposing coding for new law as Minnesota Statutes, chapter 268B; repealing Minnesota Statutes 2020, sections 116L.18; 181.9413; 181.9414; 268.085, subdivisions 4, 8; Minnesota Rules, part 5200.0080, subpart 7."

The motion prevailed and the amendment was adopted.

Lee was excused between the hours of 12:45 p.m. and 2:25 p.m.

Baker moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 14, after line 3, insert:

"(k) \$250,000 in the first year is from the workforce development fund for a grant to the ProStart and Hospitality Tourism Management Program for a well-established, proven, and successful education program that helps young people advance careers in the hospitality industry and addresses critical long-term workforce shortages in that industry."

Noor moved to amend the Baker amendment to S. F. No. 1098, the third engrossment, as amended, as follows:

Page 1, after line 2, insert:

"Page 9, line 17, delete "\$5,298,000" and insert "\$5,048,000""

Page 1, line 5, delete "workforce development" and insert "general"

Page 1, after line 11, insert:

"Adjust amounts accordingly"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Baker amendment, as amended, to S. F. No. 1098, the third engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Erickson moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 157, after line 12, insert:

"Sec. 6. Minnesota Statutes 2020, section 179A.03, subdivision 7, is amended to read:

Subd. 7. **Essential employee.** "Essential employee" means firefighters, peace officers subject to licensure under sections 626.84 to 626.863, 911 system and police and fire department public safety dispatchers, guards at correctional facilities, confidential employees, supervisory employees, assistant county attorneys, assistant city attorneys, principals, ~~and~~ assistant principals, and teachers. However, for state employees, "essential employee" means all employees in law enforcement, public safety radio communications operators, health care professionals, correctional guards, professional engineering, and supervisory collective bargaining units, irrespective of severance, and no other employees. For University of Minnesota employees, "essential employee" means all employees in law enforcement, nursing professional and supervisory units, irrespective of severance, and no other employees. "Firefighters" means salaried employees of a fire department whose duties include, directly or indirectly, controlling, extinguishing, preventing, detecting, or investigating fires. Employees for whom the state court administrator is the negotiating employer are not essential employees. For Hennepin Healthcare System, Inc. employees, "essential employees" means all employees.

**EFFECTIVE DATE.** This section is effective July 1, 2021."

Page 159, after line 3, insert:

"Sec. 9. Minnesota Statutes 2020, section 179A.18, subdivision 3, is amended to read:

Subd. 3. **Notice.** In addition to the other requirements of this section, no employee may strike unless written notification of intent to strike is served on the employer and the commissioner by the exclusive representative at least ten days prior to the commencement of the strike. ~~For all employees other than teachers, If more than 30 days have expired after service of a notification of intent to strike, no strike may commence until ten days after service of a new written notification. For teachers, no strike may commence more than 25 days after service of notification of intent to strike unless, before the end of the 25-day period, the exclusive representative and the employer agree that~~

~~the period during which a strike may commence shall be extended for an additional period not to exceed five days. Teachers are limited to one notice of intent to strike for each contract negotiation period, provided, however, that a strike notice may be renewed for an additional ten days, the first five of which shall be a notice period during which no strike may occur, if the following conditions have been satisfied:~~

- ~~(1) an original notice was provided pursuant to this section; and~~
- ~~(2) a tentative agreement to resolve the dispute was reached during the original strike notice period; and~~
- ~~(3) such tentative agreement was rejected by either party during or after the original strike notice period.~~

The first day of the renewed strike notice period shall commence on the day following the expiration of the previous strike notice period or the day following the rejection of the tentative agreement, whichever is later. Notification of intent to strike under subdivisions 1, clause (1); and 2, clause (1), may not be served until the collective bargaining agreement has expired, or if there is no agreement, on or after the date impasse under section 179A.17 has occurred.

**EFFECTIVE DATE.** This section is effective July 1, 2021."

Page 174, line 14, delete "section" and insert "sections 179A.18, subdivision 2, and" and delete "is" and insert "are"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 57 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Koznick	O'Driscoll	Robbins
Albright	Demuth	Haley	Kresha	Olson, B.	Schomacker
Anderson	Dettmer	Hamilton	Lucero	O'Neill	Scott
Backer	Drazkowski	Heinrich	Lueck	Petersburg	Swedzinski
Baker	Erickson	Heintzeman	McDonald	Pfarr	Theis
Bennett	Franke	Hertaus	Mekeland	Pierson	Torkelson
Bliss	Franson	Igo	Nash	Poston	West
Boe	Garofalo	Johnson	Nelson, N.	Quam	
Burkel	Green	Jurgens	Neu Brindley	Raleigh	
Daniels	Grossell	Kiel	Novotny	Rasmusson	

Those who voted in the negative were:

Acomb	Boldon	Feist	Hanson, J.	Jordan	Lislegard
Agbaje	Carlson	Fischer	Hassan	Keeler	Long
Bahner	Christensen	Frazier	Hausman	Klevorn	Mariani
Bahr	Davids	Frederick	Her	Koegel	Marquart
Becker-Finn	Davnie	Freiberg	Hollins	Kotzya-Witthuhn	Masin
Berg	Ecklund	Gomez	Hornstein	Liebling	Miller
Bernardy	Edelson	Greenman	Howard	Lillie	Moller
Bierman	Elkins	Hansen, R.	Huot	Lippert	Moran

Morrison	Nelson, M.	Pryor	Schultz	Vang	Xiong, T.
Mortensen	Noor	Reyer	Stephenson	Wazlawik	Youakim
Mueller	Olson, L.	Richardson	Sundin	Winkler	Spk. Hortman
Munson	Pelowski	Sandell	Thompson	Wolgamott	
Murphy	Pinto	Sandstede	Urdahl	Xiong, J.	

The motion did not prevail and the amendment was not adopted.

Berg moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 167, after line 29, insert:

"Sec. 22. Minnesota Statutes 2020, section 299F.50, is amended by adding a subdivision to read:

Subd. 11. **Hotel.** "Hotel" means any building, or portion thereof, containing 20 or more guest rooms intended or designed to be used, or which are used, rented, or hired out to be occupied, or which are occupied for sleeping purposes by guests, and which is not primarily occupied by the property owner nor other renters.

Sec. 23. Minnesota Statutes 2020, section 299F.51, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) Every ~~single-family~~ single-family dwelling and every dwelling unit in a multifamily dwelling must have an approved and operational carbon monoxide alarm installed within ten feet of each room lawfully used for sleeping purposes.

(b) Every guest room in a hotel must have an approved and operational carbon monoxide alarm installed in each room lawfully used for sleeping purposes.

Sec. 24. Minnesota Statutes 2020, section 299F.51, subdivision 2, is amended to read:

Subd. 2. **Owner's duties.** (a) The owner of a multifamily dwelling unit which is required to be equipped with one or more approved carbon monoxide alarms must:

(1) provide and install one approved and operational carbon monoxide alarm within ten feet of each room lawfully used for sleeping; and

(2) replace any required carbon monoxide alarm that has been stolen, removed, found missing, or rendered inoperable during a prior occupancy of the dwelling unit and which has not been replaced by the prior occupant prior to the commencement of a new occupancy of a dwelling unit.

(b) The owner of a hotel which is required to be equipped with one or more approved carbon monoxide alarms must:

(1) provide and install one approved and operational carbon monoxide alarm in each room lawfully used for sleeping; and

(2) replace any required carbon monoxide alarm that has been stolen, removed, found missing, or rendered inoperable during a prior occupancy and which has not been replaced by the prior occupant prior to the commencement of a new occupancy of a hotel guest room.

Sec. 25. Minnesota Statutes 2020, section 299F.51, subdivision 5, is amended to read:

Subd. 5. **Exceptions; certain multifamily dwellings and state-operated facilities.** (a) In lieu of requirements of subdivision 1, multifamily dwellings may have approved and operational carbon monoxide ~~alarms~~ detectors installed between 15 and 25 feet of carbon monoxide-producing central fixtures and equipment, provided there is a centralized alarm system or other mechanism for responsible parties to hear the alarm at all times.

(b) An owner of a multifamily dwelling that contains minimal or no sources of carbon monoxide may be exempted from the requirements of subdivision 1, provided that such owner certifies to the commissioner of public safety that such multifamily dwelling poses no foreseeable carbon monoxide risk to the health and safety of the dwelling units.

(c) The requirements of this section do not apply to facilities owned or operated by the state of Minnesota.

Sec. 26. Minnesota Statutes 2020, section 299F.51, is amended by adding a subdivision to read:

Subd. 6. **Safety warning.** A first violation of this section shall not result in a penalty, but is punishable by a safety warning. A second or subsequent violation is a petty misdemeanor."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

#### POINT OF ORDER

Dauids raised a point of order pursuant to rule 3.21 that the Berg amendment was not in order.

The Speaker submitted the following question to the House: "Is it the judgment of the House that the Davids point of order is well taken?"

The vote was taken on the question "Is it the judgment of the House that the Davids point of order is well taken?" and the roll was called. There were 65 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Nelson, N.	Raleigh
Albright	Dauids	Haley	Lucero	Neu Brindley	Rasmusson
Anderson	Demuth	Hamilton	Lueck	Novotny	Robbins
Backer	Dettmer	Heinrich	McDonald	O'Driscoll	Schomacker
Bahr	Drazkowski	Heintzeman	Mekeland	Olson, B.	Scott
Baker	Erickson	Hertaus	Miller	O'Neill	Swedzinski
Bennett	Franke	Igo	Moller	Petersburg	Theis
Bliss	Franson	Johnson	Mortensen	Pfarr	Torkelson
Boe	Garofalo	Jurgens	Mueller	Pierson	Urdahl
Burkel	Green	Kiel	Munson	Poston	West
Daniels	Grossell	Koznick	Nash	Quam	

Those who voted in the negative were:

Acomb	Edelson	Hausman	Lillie	Olson, L.	Vang
Agbaje	Elkins	Her	Lippert	Pelowski	Wazlawik
Bahner	Feist	Hollins	Lislegard	Pinto	Winkler
Becker-Finn	Fischer	Hornstein	Long	Pryor	Wolgamott
Berg	Frazier	Howard	Mariani	Reyer	Xiong, J.
Bernardy	Frederick	Huot	Marquart	Richardson	Xiong, T.
Bierman	Freiberg	Jordan	Masin	Sandell	Youakim
Boldon	Gomez	Keeler	Moran	Sandstede	
Carlson	Greenman	Klevorn	Morrison	Schultz	
Christensen	Hansen, R.	Koegel	Murphy	Stephenson	
Davnie	Hanson, J.	Kotyza-Witthuhn	Nelson, M.	Sundin	
Ecklund	Hassan	Liebling	Noor	Thompson	

So it was the judgment of the House that the Davids point of order was not well taken and the Berg amendment was in order.

The question recurred on the Berg amendment to S. F. No. 1098, the third engrossment, as amended. The motion prevailed and the amendment was adopted.

Ecklund moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 202, delete section 5

Renumber the sections in sequence and correct internal references

The motion prevailed and the amendment was adopted.

Haley moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 52, after line 25, insert:

"Sec. 14. Minnesota Statutes 2020, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of .10 percent per year on all taxable wages, as defined in section 268.035, subdivision 24, except that effective July 1, 2009, until June 30, 2011, the special assessment shall be levied at a rate of .12 percent per year on all taxable wages as defined in section 268.035, subdivision 24. The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.



(c) Notwithstanding any law to the contrary, the commissioner of employment and economic development shall apply a credit to an employer's annual special assessment liability under this section for amounts spent by the employer for worker training each year. The credit may not exceed half of the employer's special assessment liability for the year."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Haley amendment and the roll was called. There were 64 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Her	Lippert	Olson, L.	Vang
Agbaje	Elkins	Hollins	Lislegard	Pelowski	Wazlawik
Bahner	Feist	Hornstein	Long	Pinto	Winkler
Becker-Finn	Fischer	Howard	Mariani	Pryor	Wolgamott
Berg	Frazier	Huot	Marquart	Reyer	Xiong, J.
Bernardy	Frederick	Jordan	Masin	Richardson	Xiong, T.
Bierman	Freiberg	Keeler	Moller	Sandell	Youakim
Boldon	Gomez	Klevorn	Moran	Sandstede	Spk. Hortman
Carlson	Greenman	Koegel	Morrison	Schultz	
Christensen	Hansen, R.	Kotyza-Witthuhn	Murphy	Stephenson	
Davnie	Hanson, J.	Liebling	Nelson, M.	Sundin	
Ecklund	Hausman	Lillie	Noor	Thompson	

The motion did not prevail and the amendment was not adopted.

Haley moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 58, delete subdivision 2 and insert:

"Subd. 2. **Appointment of members.** (a) By July 15, 2021, the commissioner shall appoint seven members to the advisory council, of which four shall represent communities and three shall represent businesses.

(b) By July 15, 2021, the senate Subcommittee on Committees of the Committee on Rules and Administration shall appoint five senators to the advisory council, of which two must be from the minority caucus, and the speaker of the house shall appoint five representatives to the advisory council, of which two must be from the minority caucus.

(c) After the initial appointments, members of the advisory council shall be appointed by the parties listed above no later than January 15 of every odd-numbered year and shall serve until January 15 of the next odd-numbered year. Members may be removed and vacancies filled as provided in section 15.059, subdivision 4. Appointed members are eligible for reappointment and shall serve until their successors have been appointed."

A roll call was requested and properly seconded.

The question was taken on the Haley amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Robbins
Albright	Davids	Haley	Lucero	Novotny	Schomacker
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Scott
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Swedzinski
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Theis
Baker	Erickson	Hertaus	Miller	Petersburg	Torkelson
Bennett	Franke	Igo	Mortensen	Pfarr	Urdahl
Bliss	Franson	Johnson	Mueller	Poston	West
Boe	Garofalo	Jurgens	Munson	Quam	
Burkel	Green	Kiel	Nash	Raleigh	
Daniels	Grossell	Koznick	Nelson, N.	Rasmusson	

Those who voted in the negative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Gomez	Klevorn	Moller	Sandell	Youakim
Carlson	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Kotzya-Witthuhn	Morrison	Schultz	
Davnie	Hanson, J.	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

The motion did not prevail and the amendment was not adopted.

Hamilton moved to amend S. F. No. 1098, the third engrossment, as amended, as follows:

Page 39, lines 17 and 20, delete "ten" and insert "five"

Page 44, line 26, delete "ten" and insert "five"

Page 123, lines 28 and 30, delete "seven" and insert "five"

A roll call was requested and properly seconded.

The question was taken on the Hamilton amendment and the roll was called. There were 64 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Davids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drazkowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

Those who voted in the negative were:

Acomb	Edelson	Her	Lillie	Noor	Thompson
Agbaje	Elkins	Hollins	Lippert	Olson, L.	Vang
Bahner	Feist	Hornstein	Lislegard	Pelowski	Wazlawik
Becker-Finn	Fischer	Howard	Long	Pinto	Winkler
Berg	Frazier	Huot	Mariani	Pryor	Wolgamott
Bernardy	Frederick	Jordan	Marquart	Reyer	Xiong, J.
Bierman	Freiberg	Keeler	Masin	Richardson	Xiong, T.
Boldon	Gomez	Klevorn	Moller	Sandell	Youakim
Carlson	Greenman	Koegel	Moran	Sandstede	Spk. Hortman
Christensen	Hansen, R.	Kotyza-Witthuhn	Morrison	Schultz	
Davnie	Hanson, J.	Lee	Murphy	Stephenson	
Ecklund	Hausman	Liebling	Nelson, M.	Sundin	

The motion did not prevail and the amendment was not adopted.

S. F. No. 1098, as amended, was read for the third time.

The Speaker called Olson, L., to the Chair.

Winkler moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Thompson was excused for the remainder of today's session.

S. F. No. 1098, A bill for an act relating to economic development; labor and industry; appropriating money for jobs and economic growth finance; classifying apprenticeship data on minors; modifying employee notice requirements; requiring a written warning upon the first finding of a violation determined not to be of a serious nature; modifying state building code applicability and fire sprinkler requirements for public places of accommodation; delaying implementation of the Public Employment Relations Board; authorizing the continued operation of businesses during the COVID-19 pandemic with the use of a COVID-19 safety plan; modifying the Minnesota business development public infrastructure grant program; extending certain job creation goals for Minnesota investment fund grants during the COVID-19 pandemic; modifying certain unemployment benefits provisions; amending Minnesota Statutes 2020, sections 12.32; 13.7905, by adding a subdivision; 116J.431, subdivisions 2, 3, by adding a subdivision; 178.012, subdivision 1; 181.032; 181.101; 181.939; 182.666, subdivision 3; 268.035, subdivision 21c; 268.085, subdivisions 2, 4a; 268.133; 268.136, subdivision 1; 326B.07, subdivision 1; 326B.106, subdivision 4; 326B.108, subdivisions 1, 3, by adding a subdivision; 326B.121, subdivision 2; 326B.133, subdivision 8; 326B.89, subdivision 4; Laws 2014, chapter 211, section 13, as amended; Laws 2017, chapter 94, article 1, section 2, subdivision 2, as amended; Laws 2019, First Special Session chapter 7, article 1, sections 2, subdivision 2, as amended; 3, subdivision 4; Laws 2020, chapter 71, article 2, sections 20; 22; 23; proposing coding for new law in Minnesota Statutes, chapters 12; 181A; repealing Minnesota Statutes 2020, sections 181.9414; 268.085, subdivision 4.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Acomb	Edelson	Hausman	Liebling	Nelson, M.	Sundin
Agbaje	Elkins	Her	Lillie	Noor	Vang
Bahner	Feist	Hollins	Lippert	Olson, L.	Wazlawik
Becker-Finn	Fischer	Hornstein	Lislegard	Pelowski	Winkler
Berg	Frazier	Howard	Long	Pinto	Wolgamott
Bernardy	Frederick	Huot	Mariani	Pryor	Xiong, J.
Bierman	Freiberg	Jordan	Marquart	Reyer	Xiong, T.
Boldon	Gomez	Keeler	Masin	Richardson	Youakim
Carlson	Greenman	Klevorn	Moller	Sandell	Spk. Hortman
Christensen	Hansen, R.	Koegel	Moran	Sandstede	
Davnie	Hanson, J.	Kotyza-Witthuhn	Morrison	Schultz	
Ecklund	Hassan	Lee	Murphy	Stephenson	

Those who voted in the negative were:

Akland	Daudt	Gruenhagen	Kresha	Neu Brindley	Rasmusson
Albright	Dauids	Haley	Lucero	Novotny	Robbins
Anderson	Demuth	Hamilton	Lueck	O'Driscoll	Schomacker
Backer	Dettmer	Heinrich	McDonald	Olson, B.	Scott
Bahr	Drakowski	Heintzeman	Mekeland	O'Neill	Swedzinski
Baker	Erickson	Hertaus	Miller	Petersburg	Theis
Bennett	Franke	Igo	Mortensen	Pfarr	Torkelson
Bliss	Franson	Johnson	Mueller	Pierson	Urdahl
Boe	Garofalo	Jurgens	Munson	Poston	West
Burkel	Green	Kiel	Nash	Quam	
Daniels	Grossell	Koznick	Nelson, N.	Raleigh	

The bill was passed, as amended, and its title agreed to.

S. F. No. 972 was reported to the House.

#### LAY ON THE TABLE

Winkler moved that S. F. No. 972 be laid on the table. The motion prevailed.

#### MOTIONS AND RESOLUTIONS

Lueck moved that the name of Davids be added as an author on H. F. No. 96. The motion prevailed.

Dettmer moved that the name of Davids be added as an author on H. F. No. 140. The motion prevailed.

Dettmer moved that the name of Davids be added as an author on H. F. No. 142. The motion prevailed.

Scott moved that the name of Bahr be added as an author on H. F. No. 350. The motion prevailed.

Frazier moved that the name of Reyer be added as an author on H. F. No. 593. The motion prevailed.

Hansen, R., moved that the name of Lippert be added as an author on H. F. No. 1338. The motion prevailed.

Frazier moved that the names of Reyer and Hornstein be added as authors on H. F. No. 2529. The motion prevailed.

Hassan moved that the name of Freiberg be added as an author on H. F. No. 2543. The motion prevailed.

Lee moved that the names of Freiberg and Youakim be added as authors on H. F. No. 2545. The motion prevailed.

Xiong, J., moved that the name of Becker-Finn be added as an author on H. F. No. 2546. The motion prevailed.

#### ADJOURNMENT

Winkler moved that when the House adjourns today it adjourn until 11:30 a.m., Wednesday, April 21, 2021. The motion prevailed.

Winkler moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:30 a.m., Wednesday, April 21, 2021.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

